

SESSIONAL PAPERS.

VOLUME V.

SECOND SESSION OF THE FIRST PARLIAMENT

OF THE

DOMINION OF CANADA.

SESSION, 1869.



VOLUME II.

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- No. 33... INSURANCE COMPANIES :—Statements made by Insurance Companies in compliance with 31 Vic., cap. 48, sec. 14.
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- No. 57... MANITOULIN ISLAND :—Statement of land therein held under timber licences, with the names of purchasers or lessees, and price paid. [*Not printed.*]
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- No. 61... ————— Reports by the same, of a correspondence concerning the Island of San Juan, the Canadian losses by Fenian raids, and the protection of Fisheries.
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- No. 63.. ST. CLAIR FLATS :—Correspondence connected with the subject of the Navigation of. [*Not printed.*]
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- No. 68... "DRUID," STEAMER :—Return, amount expended on Government steamer *Druid*, &c. [*Not printed*]
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- No. 71... HAMILTON DEAF AND DUMB ASYLUM :—Papers connected with the purchase of property from the late Sir A. N. McNab, at Hamilton, as a site for an Asylum. [*Not printed.*]
- No. 72... WARNOCK, MRS. :—Correspondence relative to a registered letter containing money, addressed by Mrs. Warnock to Messrs. Henderson & Bros., New York, which never reached its destination. (*Not printed.*)
- No. 73... GOVERNOR GENERAL :—Despatch from Colonial Secretary respecting the Bill to fix the salary of the Governor General.
- No. 74... SEIGNIORIAL ACT 1854, CLAIMS AFFECTED BY :—Statement showing the Accounts for 1867 relating to claims connected with the Desjardins Canal, Grand River, Grantham Academy, Oakville Harbor, Tay Navigation, Trent, Roads and Bridges, Public Buildings, Steamers, Montreal Harbour and Catarqui property ;—arrear of Hydraulic rents, and an account of shop, tavern and auction licences in Quebec, affected by the Seigniorial Act of 1854.
- No. 75... FENIAN INVASION :—Correspondence with the Imperial Government in reference to the outlay incurred in Canada on the frontier in 1863-4, and also on account of the Fenian invasion, and correspondence, &c., connected with the representations made to Canada by the United States during the Rebellion.
- No. 76... AGRICULTURE AND STATISTICS :—Report of the Minister of, for 1868.
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RAILWAYS.

St. Lawrence and Ottawa Railway Company.—Statement of Revenue and Expenditure for the year 1868; Moneys received and expended on Capital Account, to 31st December, 1868; Expenditure on account of Equipment from 15th Dec. 1865 to 31st Dec., 1868.

Northern Railway of Canada.—Receipts and Expenditure, for the year ending 31st December, 1868.

Montreal and Vermont Junction Railway.—Statement of business for the year ending 31st May, 1868.

Stanstead, Shefford and Chambly Railway —Statement of business, for the year ending 31st May, 1868.

ST. LAWRENCE AND OTTAWA RAILWAY COMPANY.

Dr. Classified Statement of Revenue and Expenditure for the year ending 31st December, 1868. Cr.

RECEIPTS.	EXPENSES.
For carriage of Passengers, per Abstract A..... Do Mails and Sundries " B..... Do Merchandise " C.....	Locomotive and Car Department, per Abstract D..... Engineering and Track, " E..... Traffic, " F..... General Charges, " G.....
\$ 57,205 06 10,252 16 50,586 29	\$ 30,917 75 15,871 44 17,266 83 11,257 63
Total	Total Revenue Expenditure..... Balance to Net Revenue.....
\$113,043 51	75,313 70 42,729 81 \$118,043 51

I, Bradish Billings, of the City of Ottawa, Accountant of the St. Lawrence and Ottawa Railway Company, make oath and say that the above Statement of Revenue and Expenditure, as also the Abstracts A, B, C, D, E, F, and G, to which it refers are correct, to the best of my knowledge and belief.

B. BILLINGS.

Sworn before me at the City of Ottawa, }
this 24th day of April, A.D., 1869.

CHAS. T. BATE, J P.

ST. LAWRENCE AND OTTAWA RAILWAY COMPANY.

STATEMENT of Expenditure on Equipment Account, from 15th December, 1865 to 31st December, 1868.

	\$	cts.
Engines.....	27,450	84
Passenger, Baggage, Box, and other Cars.....	31,266	38
Buildings, Tanks, Wells, Semaphores, Switch-houses, Turn-tables, &c	14,884	65
Iron Rails, Ties, Tools, Frogs, Switches, Chairs, Spikes, Nails, Oil, Paint, &c.....	33,835	85
Bridges, Approaches, Crossings, Sidings, Cattle-guards, Protective Cribs, &c.....	21,753	47
Excavation and Crib-work at Prescott, ballasting and fencing.....	37,085	65
Sawing Machine, Tools and Horses for Fuel Department; Safes, Copying Presses and Office Furniture; Parliamentary, Law, and miscellaneous expenses	10,265	23
Total.....	\$176,542	07

NORTHERN RAILWAY OF CANADA.

STATEMENT of Earnings and Expenditure, for year ending 31st December, 1868.

EARNINGS.		\$	cts.	\$	cts.
To Local Traffic:—					
Passengers.....		146,901	52		
Freight.....		364,206	36		
Mail Service.....		9,707	21		
Wharfage.....		6,900	04		
Storage.....		7,679	94		
Boomage.....		820	17		
Other sources.....		1,164	21		
To Through Traffic:—					
Freight.....		12,690	79		
Total Earnings.....				\$550,070	24
EXPENDITURE.					
By maintaining Roadway.....		37,318	65		
Maintaining Works and Buildings.....		15,245	32		
Repairs of Locomotives and Stationary Engines, Rolling Stock and Fixed Machinery.....		67,095	97		
Train service.....		34,354	92		
Way Station service.....		15,260	46		
Terminal Station service.....		21,767	59		
General Supplies.....		44,700	20		
Miscellaneous Expenses.....		29,320	94		
General charges.....		20,830	26		
Extension and Addition to Works, Buildings, and Equipments.....		55,964	98		
Total Expenditure.....				\$391,859	29
Net Earnings.....				\$158,210	95

Net Revenue Account, for year ending 31st December, 1868.

	\$	cts.		\$	cts.
To Interest on Dividend paid as follows:—			By Balance brought from 1867.....	28,255	69
1st Pref. Bonds, 17th Dividend.....	36,500	00	By Net Revenue Account, 30th June, 1868.....	77,722	64
1st do 18th do.....	36,500	00	Net Revenue Account, December 31st, 1868.....	80,488	31
2nd do 17th do.....	41,449	40	By Interest on 109 Bonds held in London.....	3,103	22
2nd do 18th do.....	41,449	40	Total.....	\$189,569	86
To additional Income Tax on 109 Bonds held in London.....		13 26	By Bal. to credit of Revenue Acc't.	\$33,657	80
To Balance to credit of Revenue Account.....	33,657	80			
Total.....	\$189,569	86			

I, Thomas Hamilton, of the City of Toronto, chief Accountant of the Northern Railway of Canada, make oath and say that the preceding statements of moneys received and expended for the year ending 31st December, 1868, are to the best of my knowledge and belief true and correct.

Sworn before me at Toronto, this }
29th day of April, A.D., 1869. }

TH. HAMILTON.

N. DICKEY, J.P.

I, John Beverley Robinson, of the City of Toronto, Esquire, President of the Northern Railway of Canada, make oath and say, that the preceding statements of moneys received and expended for the year ending 31st December, 1868, are to the best of my knowledge and belief true and correct.

Sworn before me at Toronto, this }
30th day of April, 1869. }

JOHN BEVERLEY ROBINSON.

JOHN CARR, J.P.

MONTREAL AND VERMONT JUNCTION RAILWAY.

Statement of Business for year ending May 31, 1868.

EARNINGS.		\$	cts.	\$	cts.
From Passenger Traffic.....		50,457	03		
" Freight ".....		33,012	67		
" Express Service.....		2,600	03		
" Mail ".....		2,512	00		
				\$88,581	73
EXPENSES.					
For Repairs.....		5,619	25		
" Stations and labor.....		13,243	04		
" Other operating expenses.....		54,403	88		
				\$73,266	17
No. of Passengers carried :					
Local.....		9,526			
Through.....		50,849			
				60,375	
No. of Passengers carried one mile :					
Local.....		149,757			
Through.....		1,166,872			
				1,316,629	
No. of tons of Freight carried		56,255			
No. of tons of Freight carried one mile.....		1,372,463			
No. of miles run by trains		93,267			

P. H. MOORE,
President M. & V. J. Railway.

STANSTEAD, SHEFFORD & CHAMBLY RAILWAY.

Statement of Business for year ending May 31st, 1868.

EARNINGS.		\$	cts.	EXPENSES.		\$	cts.
From Passenger traffic		15,350	68	For Roadway and Real Estate		19,855	09
" Freight ".....		48,499	27	" Repairs of Machinery and			
" Express Service.....		720	00	Cars.....		5,491	71
" Mail ".....		2,150	00	" Motive power.....		7,302	00
" Other sources.....		325	28	" Operating Road		19,167	54
Total		\$67,045	23	Total.....		\$51,816	34
				Balance.....		815,228	89

No. of Passengers carried : Local, 15,746 ; Through, 4,945. Total 20,691.
 No. of Passengers carried one mile ; Local, 267,051 ; Through, 212,635, Total..... 479,686
 No. of tons of Freight carried 24,605
 No. of tons of Freight carried one mile..... 550,146
 No. of miles run by Trains 82,045

G. MERRILL,
Gen. Supt. S. & C. Railway.

RETURN

To an Address of the House of Commons, dated 21st April, 1869, for Copies of all Correspondence with the Imperial Government with respect to the exercise, within the Dominion, of the Royal Prerogative of Mercy.

By command.

HECTOR L. LANGEVIN,
Secretary of State.

DEPARTMENT OF SECRETARY OF STATE,
Ottawa, 26th April, 1869.

COPY of a Report of a Committee of the Privy Council of Canada, approved by His Excellency the Administrator of the Government in Council on the 24th Dec., 1868.

The Committee have had under consideration the accompanying memorandum, dated 21st December instant, from the Honorable the Minister of Justice, on the subject of the exercise of the Prerogative of Mercy, and concurring in the views therein expressed, they humbly advise that it be transmitted by Your Excellency to the Right Honorable the Secretary of State for the Colonies, for the consideration of Her Majesty's Government.

Certified.

(Signed,) WM. H. LEE,
Clerk, P. C.

DEPARTMENT OF JUSTICE,
Ottawa, December 21st, 1868.

The undersigned, to whom was referred the despatch of the Lieutenant Governor of Nova Scotia, of the 25th August last, on the subject of the exercise of the Prerogative of Mercy, having considered the same, and the letters of the Attorney General of Nova Scotia enclosed therein, begs leave to report :—

That since the receipt of that despatch, the right to exercise the pardoning power has been assumed by the Local Government of Ontario to a certain extent, and it is therefore necessary that some authoritative decision of the question should be obtained.

Before the Union of the Provinces, the Commissions of the Governor General of Canada, and of the Lieutenant Governors of Nova Scotia and New Brunswick, contained express power from Her Majesty to grant pardons, and it is believed that without such express power, the prerogative of mercy could not have been exercised by those officers.

At the Conference of the Delegates appointed to arrange the terms of Union, held at Quebec on the 10th October, 1864, this subject was fully considered, and the following resolution (being the 44th of the series) was adopted :—

“ The power of respiting, reprieving or pardoning prisoners convicted of crimes, and of commuting and remitting of sentences in whole or in part, which belongs of right to the Crown, shall be administered by the Lieutenant Governor of each Province in Council, subject to any instructions he may from time to time receive from the General Government, and subject to any provisions that may be made in this behalf by the General Parliament.”

All the resolutions adopted at that Conference were transmitted by His Excellency Lord Monck to the Secretary of State for the Colonies.

On the 3rd December, 1864, Mr. Cardwell (then Secretary of State for the Colonies) transmitted a despatch conveying the general approval of Her Majesty of the proceedings of the Conference, but stated that—

“ There are, however, two provisions of great importance, which seem to require revision. The first of these is the provision contained in the 44th Resolution with respect to the exercise of the prerogative of pardon. It appears to Her Majesty's Government that this duty belongs to the Representative of the Sovereign, and could not with propriety be devolved upon the Lieutenant Governors, who will, under the present scheme, be appointed, not directly by the Crown, but by the Central Government of the United Provinces.”

Notwithstanding this intimation, all the resolutions agreed to at the Conference were afterwards adopted without alteration, and submitted to Her Majesty in an address, as a proposed basis of Union.

The grounds taken by the Canadian Government, in adhering to the 44th Resolution, are shortly stated in the speech made by the undersigned, on moving the resolutions in the House of Assembly, as follows :—

“ Objection has been taken that there is an infringement of the Royal Prerogative in giving the pardoning power to the Local Governors, who are not appointed directly by the Crown, but only indirectly by the Chief Executive of the Confederation, who is appointed by the Crown. This provision was inserted in the Constitution on account of the practical difficulty which must arise if the power is confined to the Governor General. For example, if a question arose about the discharge of a prisoner convicted of a minor offence, say in Newfoundland, who might be in imminent danger of losing his life if he remained in confinement, the exercise of the pardoning power might come too late if it were necessary to wait for the action of the Governor General. It must be remembered that the pardoning power not only extends to capital cases, but to every case of conviction and sentence, no matter how trifling—even to the case of a fine in the nature of a sentence on a criminal conviction. It extends to innumerable cases, where, if the responsibility for its exercise were thrown on the general Executive, it could not be so satisfactorily discharged. Of course there must be in each Province a legal adviser of the executive, occupying the position of our Attorney General, as there is in every State of the American Union. This officer will be an officer of the Local Government ; but if the pardoning power is reserved for the Chief Executive, there must, in every case where the exercise of the pardoning power is sought, be a direct communication and report from the local Law Officer to the Governor General. The practical inconvenience of this was felt to be so great, that it was thought well to propose the arrangement we did, without any desire to infringe upon the Prerogative of the Crown, for our whole action shows that the Conference, in every step they took, were actuated by a desire to guard jealously these prerogatives. It is a subject, however, of Imperial interest ; and if the Imperial Government and Imperial Parliament are not convinced by the arguments we will be able to press upon them for the continuation of that clause, then, of course, as the over-ruling power, they may set it aside.”

In 1866, a second Conference was held in London, composed of Delegates from Canada, Nova Scotia and New Brunswick, and those Delegates had frequent interviews with Lord Carnarvon (Mr. Cardwell's successor), and the acceptance of the 44th Resolution was strongly pressed upon him. Her Majesty's Government, however, were not convinced by the arguments, and decided on omitting the clause, which was framed on such resolution, from the British North America Act. This omission was made for the avowed purpose of confining the exercise of the pardoning power to Her Majesty's Representative holding Her Majesty's direct authority for its exercise, and if it is now held that such power is vested in the Lieutenant Governors appointed since the Union, the intention of Her Majesty's Government will have been thwarted.

NOVA SCOTIA.

In Nova Scotia, up to the 1st July, 1867, when the four Provinces were united by the British North America Act, 1867, the pardoning power had been exercised solely under the Lieutenant Governor's Commission and the accompanying instructions.

NEW BRUNSWICK.

In New Brunswick, it is provided by the 5th section, of chapter 160, Revised Statutes, volume 1, as follows :—

“ Whenever the Governor shall extend mercy to any offender sentenced to death, commuting such sentence to imprisonment with hard labour in the Provincial Penitentiary for life, or for a term of years, the Court before which the offender was convicted, or any Judge of the Supreme Court, shall allow him the benefit of a conditional pardon, upon the terms of the commutation, and make an order for the immediate imprisonment of such offender accordingly.”

UPPER CANADA BEFORE UNION WITH LOWER CANADA.

In Upper Canada, by an Act passed 7th William 4th, chapter 6, (before the Union between that Province and Lower Canada in 1840,) which Act now forms portion of the Consolidated Statutes of Upper Canada, chapter 115, it is provided as follows :—

“ The Governor may commute the sentence of death passed upon any person convicted of a capital crime, other than high treason or murder, and with authority from Her Majesty, upon any person convicted of high treason or murder, to solitary confinement, or to confinement with or without hard labour in the Common Gaol or House of Correction, for any period less than two years, or in the Penitentiary either during life or for any term of years not less than two years ; and an Instrument under the hand and Seal of the Governor, declaring such commutation of sentence shall be sufficient authority to any of Her Majesty's Judges or Justices in Upper Canada, having jurisdiction in such cases, to make such orders, and give such directions, under his hand and seal, as may be requisite for the change of custody of such convict, and for his conduct to and delivery at such Gaol, House of Correction, or Penitentiary, and his detention therein, according to the terms on which his sentence has been commuted.”

LOWER CANADA, BEFORE THE UNION WITH UPPER CANADA.

In Lower Canada, before 1840, there was no statutory provision of its Legislature relating to pardons.

PROVINCE OF CANADA.

The Legislatures of the united Provinces of Upper and Lower Canada passed the following enactments, being sections 112 and 113 of the Consolidated Statutes of Canada, 22nd Victoria, chapter 99.

“ 112. The Queen's Majesty or the Governor, may extend the Royal Mercy to any person sentenced to imprisonment by virtue of any of the foregoing criminal Acts, although he be imprisoned for non-payment of money to some party other than the Crown.”

“ 113. When the Queen's Majesty or the Governor is pleased to extend the Royal Mercy to any offender convicted of a felony, punishable with death or otherwise, and by warrant under the Royal Sign Manual, countersigned by one of the principal Secretaries of State, or by warrant under the hand and seal at arms of such Governor, grants to such offender either a free or a conditional pardon, the discharge of such offender out of custody, in case of a free pardon, and the performance of the condition in the case of a conditional pardon, shall have the effect of a pardon under the Great Seal, of such offender, as to the felony for which such pardon has been granted.”

Thus stood the law respecting the pardoning power in the several Provinces of the Dominion on the 1st July, 1867, when they were united.

On that day the Commission of Lord Monck, as first Governor General of the Dominion came into force. The Commission contains the following clause :—

“ V. And we do hereby give and grant unto you, full power and authority, when you shall see cause, in Our name and on Our behalf to grant, to any offender convicted of any crime in any court, or before any judge, justice or magistrate within our said Dominion, a pardon, either free or subject to lawful conditions, or any respite of the execution of the sentence of any such offender for such period as to you may seem fit, and to remit any fines, penalties or forfeitures which may become due and payable to us.”

DOMINION OF CANADA.

There has yet been no legislation by the Dominion Parliament on the subject.

NOVA SCOTIA.

The Attorney General of Nova Scotia has given his opinion that, although the pardoning power has always been exercised there as a branch of the Royal Prerogative, and not by virtue of any Statute, the 129th clause of the British North America Act continues to the Lieutenant Governor the power of pardoning.

The undersigned cannot coincide with Mr. Wilkins in this opinion.

The Commission of the Lieutenant Governor who held the office at the time of the Union, expired on the 1st July, 1867, and a new Commission was issued by the Governor General of the Dominion under the 58th clause of the Union Act.

That Commission does not contain any clause conferring any power of granting pardons, and the undersigned is of opinion, that, if it had such a clause it would have been inoperative, as being beyond the power of the Governor General to confer.

NEW BRUNSWICK.

As regards New Brunswick it would seem that the statute above referred to, did not confer on the Lieutenant Governor of the Province any power which he did not previously possess, but simply provides, in cases in which the pardoning power has been exercised conditionally, for the proper carrying out of the condition by the local authorities.

UPPER CANADA.

The Statute of Upper Canada above quoted presents more difficulty. There the power is, by express enactment, conferred on the Governor, of commuting the sentence of death, in certain cases, without the authority of Her Majesty, and in others, with that authority, to imprisonment; and it is contended that this power having been conferred by Act of Parliament, ceased to be a branch of the prerogative and appertained to the administration of Criminal Justice.

Now the Administration of Justice is, by the 14th sub-section of the 92nd clause of the Union Act, transferred exclusively to the Legislature of each Province, and the 65th section provides, that all the statutory powers conferred upon the Lieutenant Governors of Upper and Lower Canada respectively, before the Union, shall be continued to their successors after the Union, "as far as the same are capable of being exercised after the Union."

The difficulty is however, more apparent than real. It is to be remembered that when the Provincial Act above referred to (7th William 4th, cap. 6.) was passed, the Lieutenant Governor, by his Commission, had already the power of granting pardons, absolutely or conditionally, and therefore there was no necessity for an Act conferring such power.

The Statute in question does not profess to touch the power of pardon, but simply to enact that where a pardon has not been granted absolutely, but on condition of the criminal suffering a lesser punishment than death, the Governor may commute to imprisonment in the common gaol, the house of correction or the penitentiary, the object of the clause not being to confer any new powers on the Governor, but to authorize the judges and prison authorities to enforce the condition attached to the pardon.

PROVINCE OF CANADA.

That this is the true construction of the Act may be gathered from the subsequent Statute of Canada, 22nd Victoria, Chapter 99, above cited. This Act applies to all the crimes affected by the previous Statute of Upper Canada, and both the 112th and 113th clauses (already quoted) speak of the pardoning power as being an exercise of "the Royal Mercy" the 112th extending the prerogative right to causes where a person is imprisoned for non-payment of money to a private individual, and the 113th giving the same effect to a pardon under the Sign Manual as if under the Great Seal, and both presupposing the existence of the power in the Crown.

The undersigned, after careful consideration of the state of the Law in the several Provinces; is of opinion,

1. That since the Union, and now, the pardoning power belongs to Her Majesty as a matter of prerogative, and can be only exercised directly or through Her Representative, the Governor General, under the express power given by his Commission.

2; That the Lieutenant Governors of the Provinces appointed by the Governor General in Council, although their Commissions, being under the Great Seal of Canada, run in Her Majesty's name, have not that power, their Commissions do not confer it, and if they professed to

do so, would, as already stated, be inoperative in that regard, the Governor General having no authority conferred upon him by his Commission, to depute the pardoning power to any one,

The undersigned has further the honor to report, that the question having been raised, and the power assumed or claimed, it is in his opinion necessary that the question should be set at rest without delay.

He therefore recommends that Your Excellency cause the subject to be brought before Her Majesty's Government, with the view of obtaining the opinion of the law officers of the Crown, the decision of Her Majesty thereupon, and specific instructions to Your Excellency as to your course of action in the matter hereafter.

All which is respectfully submitted.

(Signed,) JOHN A. MACDONALD.

Earl Granville to Sir J. Young.

(Copy—Canada, No. 38.)

DOWNING STREET,

24th February, 1869.

SIR,—I have the honor to acknowledge the receipt of your despatch No. 7, dated the 24th December last, enclosing a Minute of your Executive Council respecting the power of Pardon claimed by the Attorney General of Ontario on behalf of the Lieutenant Governor of that Province.

I caused a copy of your despatch and of its enclosures to be referred to the Law officers of the Crown, and I am advised that the prerogative of mercy is properly resident in the Governor General of Canada in virtue of his commission.

Canada is, by section 3 of the British North America Act of 1867, to form one Dominion with four Provinces, and by section 9, the Executive Government and authority is declared to continue and to be vested in the Queen; as the power of pardoning is by the Law of England and her settlements, part of the Royal Prerogative, the power of pardoning is at and after the passing of the British North America Act to be found in the Queen, or in those to whom the Queen deposes it, except so far as the Queen's delegation of this power is controlled by statute. It is true, that before the passing of this Act the power of pardoning was vested in the Lieutenant Governors of the several Provinces; but that power was withdrawn not only by the revocation of the Letters Patent by which it was conferred, but also, as I am advised, by the Queen's Act in assenting to the British North America Act, by which Act the authorities given to the several Provincial Lieutenant Governors were revoked, except so far as is otherwise therein provided. Among the revoked powers, the power of pardoning would be one; unless specially excepted.

Now the Lieutenant Governors of the Provinces under the new system are to be appointed not directly by the Queen, but by the Governor General in Council, and the new Lieutenant Governors would not take the power of pardoning *virtute officii* unless it were so given them by the Act,

The whole constitution of the Provinces was changed by the Act of Union, and the delegated Powers of Government necessarily ceased.

No such power is given or retained to or for them in that part of the Act which is headed "Provincial Constitutions" nor can it be properly said that the prerogative of mercy is part of the administration of justice; still less be argued that the Lieutenant Governor possesses the power of pardon because the administration of justice in the Province is reserved to the Provincial Legislature.

I have, &c.,

(Signed,)

Governor General,

The Right Honorable Sir John Young, Bart., G.C.B.

GRANVILLE.

RETURN

To an Address of the HOUSE OF COMMONS, dated 22nd April, 1869; For a Statement giving the names of all *Inland places* at which the Customs duty is collected, the name of the Officer, his salary, and expenses connected with the Office, and the amount of duty collected at each office, from the first day of July, 1867, until January 1st, 1869.

By Command.

HECTOR L. LANGEVIN,
Secretary of State.

DEPARTMENT OF THE SECRETARY OF STATE,
Ottawa, 24th April, 1869.

RETURN

To an Address of the House of Commons, dated 22nd April, 1869; for Copies of any Correspondence which has taken place between the Government of the Dominion and the Governments of Ontario, Quebec, Nova Scotia, New Brunswick, or either of them, regarding the power of disallowance of Local Legislation, claimed by the Dominion Government, under the 90th Section of the British North America Act.

By Command.

HECTOR L. LANGEVIN,
Secretary of State.

Department of the Secretary of State,
Ottawa, 26th April, 1869.

(Copy.)

DEPARTMENT OF JUSTICE,
Ottawa, 8th June, 1868.

The undersigned begs to submit for the consideration of Your Excellency, that it is expedient to settle the course to be pursued with respect to the Acts passed by the Provincial Legislatures.

The same powers of disallowance as have always belonged to the Imperial Government with respect to the Acts passed by Colonial Legislatures, have been conferred by the Union Act on the Government of Canada. Of late years Her Majesty's Government has not, as a general rule, interfered with the legislation of Colonies having Representative Institutions and Responsible Government, except in the cases specially mentioned in the instructions to the Governors, or in matters of Imperial and not merely local interest.

Under the present constitution of Canada, the General Government will be called upon to consider the propriety of allowance or disallowance of Provincial Acts, much more frequently than Her Majesty's Government has been with respect to Colonial enactments.

In deciding whether any Acts of a Provincial Legislature should be disallowed or sanctioned, the Government must not only consider whether it affects the interests of the whole Dominion or not; but also, whether it be unconstitutional, whether it exceeds the jurisdiction conferred on Local Legislatures, and, in cases where the jurisdiction is concurrent, whether it clashes with the Legislation of the General Parliament.

As it is of importance that the course of Local Legislation should be interfered with as little as possible, and the power of disallowance exercised with great caution, and only in cases where the law and the general interests of the Dominion imperatively demand it, the undersigned recommends that the following course be pursued:—

That on receipt, by Your Excellency, of the Acts passed in any Province, they be referred to the Minister of Justice for report, and that he, with all convenient speed, do report as to those Acts which he considers free from objection of any kind; and, if such report be approved by Your Excellency in Council, that such approval be forthwith communicated to the Provincial Government.

That he make a separate report, or separate reports, on those Acts which he may consider:—

1. As being altogether illegal or unconstitutional;
2. As illegal or unconstitutional in part;

3. In cases of concurrent jurisdiction as clashing with the Legislation of the general Parliament ;

4. As affecting the interests of the Dominion generally ;

And that in such report or reports, he gives his reasons for his opinions.

That, where a measure is considered only partially defective, or where objectionable, as being prejudicial to the general interests of the Dominion, or as clashing with its Legislation, communication should be had with the Provincial Government with respect to such measure, and that, in such case, the Act should not be disallowed, if the general interests permit such a course, until the Local Government has an opportunity of considering and discussing the objections taken, and the Local Legislatures has also an opportunity of remedying the defects found to exist.

All of which is respectfully submitted.

(Signed,)

JOHN A. MACDONALD.

Copy of an Order approved by His Excellency the Governor General in Council of 9th June, 1868.

The Committee have had under consideration the annexed memorandum from the Honorable the Minister of Justice and Attorney General, on the subject of the powers of disallowance of the Acts of Local Legislatures possessed by the General Government of the Dominion, and submitting his views and recommendations respecting the course which should be pursued on all occasions where the Acts of the Local Legislatures shall be transmitted to the Governor General, and they respectfully advise that the same be approved and adopted

(Signed,)

WM. H. LEE,

Clerk Privy Council.

Copy of Circular to the Lieutenant Governors of the Provinces of Ontario, Quebec, Nova Scotia and New Brunswick.

OFFICE OF SECRETARY OF STATE FOR THE PROVINCES,

Ottawa, 17th June, 1868.

SIR,—I have the honor, by command of the Governor General, to transmit to your Excellency herewith, for the information of the Government of the Province of

8th June, 1868. a Copy of an Order in Council, and of the Memorandum of the Honorable
9th June, 1868. the Minister of Justice therein referred to, on the subject of the powers
of disallowance of the Acts of the Local Legislatures, possessed by the
Government of the Dominion.

I have, &c.,

(Signed,)

HECTOR L. LANGEVIN,

Secretary of State.

(Copy.)

PROVINCIAL SECRETARY'S OFFICE,

Toronto, 22nd June, 1868.

SIR,—I have the honor to acknowledge the receipt of your letter of the 17th instant, enclosing a copy of a Report made by the Honorable the Minister of Justice to His Excellency the Governor General in Council, with respect to the proposed method of disallowing Acts passed by the Provincial Parliaments.

I have, &c.,

(Signed,)

THOS. C. PATTESON,

Assistant Secretary.

The Honorable the Secretary of State,
Ottawa.

(Copy.)

GOVERNMENT HOUSE,

Fredericton, N. B., 22nd June, 1868.

SIR,—I have the honor to acknowledge the receipt of your despatch of the 17th instant, transmitting for the information of the Government of the Province of New Brunswick, a Copy of an Order in Council, and of the memorandum therein referred to, of the Honorable

the Minister of Justice, on the subject of the powers of disallowance of the Acts of the Local Legislature possessed by the Government of the Dominion.

I have, &c.,

(Signed,)

F. HARDING.

The Honorable the Secretary of State for the Provinces,
Ottawa.

(Copy.)

GOVERNMENT HOUSE,

HALIFAX, N. S., 23rd June, 1868.

SIR,—I have the honor to acknowledge the receipt of your despatch of the number
No. 560. and date noted in the margin.

17th June, 1868.

I have, &c.,

(Signed,)

JOHN H. FRANCKLYN,

Admr. of the Govt.

The Honorable the Secretary of State for the Provinces,
Ottawa.

FIRST REPORT

OF THE

CIVIL SERVICE COMMISSION.

PRINTED BY ORDER OF PARLIAMENT.



OTTAWA:
PRINTED BY HUNTER, ROSE & COMPANY.
1869.

RETURN

To an Address of the House of Commons, dated 21st April, 1869 ;—" For any
 " Report or Recommendation made by Etienne Parent, Esq., William Henry
 " Griffin, Esq., Robert Shore Milnes Bouchette, Esq., John Langton, Esq.
 " and William Smith, Esq., Deputy Heads of Departments, and Thomas
 " Reynolds, Esq., of Montreal, and Charles S. Ross, Esq., of Kingston, who
 " were appointed a Commission, on 22nd June last to enquire into the
 " present state and probable requirements of the Civil Service; with a
 " statement shewing the expenses incurred on account of the said Commission
 " for salaries or otherwise during their deliberations."

By command.

HECTOR LANGEVIN,

Secretary of State.

DEPARTMENT OF THE SECRETARY OF STATE,

Ottawa, 26th April, 1869.

FIRST REPORT.

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REPORT of a Committee of the Honorable the Privy Council, approved by His Excellency the Governor General in Council, on the 9th June, 1868.

On a memorandum dated 26th May, 1868, from the Honorable the Minister of Finance, reporting that before the Government proceeds to organize the several Departments, as provided by the 15th Section of the Civil Service Act, it is desirable that a Commission be appointed to enquire into the present state and the probable requirements of the Civil Service

That the points which should be specially referred to such a Commission are the following :

1. To enquire into and report upon the organization of the several Branches of the Public Service, with a special view to their adaptation to the wants of the new Constitution, and to providing for the efficient and economical performance of the public business.

2. To enquire into and report upon the adequacy of the existing staff, both as regards numbers and efficiency, for the proper carrying on of the public business in all its branches, as well in the Departments at the Seat of Government as in the outside branches of the service.

3. To report whether any and what changes can be effected either in the reduction of the number of officers, or the transfer or retirement of any of them, and upon what terms such changes can be made.

4. To report upon the numbers and classification, in accordance with the Civil Service Act, of the Staff of each Department, necessary for its efficient working. Such classification to have regard only to the duties and responsibilities of the several officers and clerks, and with a special view to economy by limiting the numbers in the higher ranks of the service.

5. To make such other suggestions and recommendations for promoting the efficient and economical administration of the public affairs as they deem proper.

He therefore recommends that a Commission be appointed for the above purpose, to consist of Messrs. Langton, Griffin, Bouchette and Smith, Deputy Heads, and Thomas Reynolds, Esquire, of Montreal, and Charles S. Ross, Esquire, of Kingston.

The Committee concur in the Report of the Minister of Finance, and submit the same for Your Excellency's approval.

(Certified,)

WM. H. LEE,
Clerk P. C.

COPY of a Report of a Committee of the Honorable the Privy Council, approved by His Excellency the Governor General in Council on the 19th June, 1868.

On the recommendation of the Honorable the Minister of Justice, the Committee advise that Etienne Parent, Esquire, be added to the Civil Service Commission appointed under Order in Council of 19th June.

(Certified,)

WM. H. LEE,
Clerk P. C.

FIRST REPORT

OF THE

CIVIL SERVICE COMMISSION.

The Commissioners appointed to enquire into and report upon the organization of the Civil Service of the Dominion of Canada have the honor to present a First Report.

Immediately after the appointment of the Commission, we met at Ottawa, and commenced our enquiries into the method of conducting the public business in the Departments at Head Quarters, but in consequence of the necessary absence of one of our body in England, our investigations were for several weeks interrupted. We met again on the 23rd of September, and have now completed our enquiries into the Departments. We have also at intervals made some progress in visiting the principal cities, and in making ourselves acquainted with the most important outside branches of the public service which are carried on there. Although the work of many of the Departments is intimately connected with that of the outside services, we think that they are sufficiently distinct to enable us to make a report at once upon the organization of the Civil Service at the seat of Government, reserving our remarks upon subordinate branches for a second report, when we have had an opportunity of extending our enquiries to other parts of the Dominion.

Before entering into any details respecting the several Departments, we wish to make some preliminary observations upon that portion of our instructions which directs us to have special regard to economy and to the means of reducing the cost of the service generally.

1. The principal defects in the organization of the Civil Service of the late Province of Canada were, that there was no just proportion between the salaries of the higher officers, who had important functions and heavy responsibilities, and of the lower ones, who had merely routine work to perform; and that, by indiscriminate promotion, there was a constantly increasing tendency still further to equalize all salaries. The effect of this was not only to incur unnecessary cost, by paying high salaries for unimportant work; but it had also a tendency to fill the service with second rate men. The exceptionally high salaries in the lower grades were a constant inducement for men to enter the service who had no great chance of advancing themselves elsewhere, whilst the ultimate prospects were so poor as to deter young men, who were conscious of energy and ability, from adopting the public service as a profession. The main object of the new Civil Service Act was to remedy these defects, and we think that, if Government had been free to organize the Departments untrammelled by the existing incumbents, a staff might have been created in accordance with the Act, more efficient, and at less cost, than that which has gradually grown up under a very different classification. But the Act provides that nothing in it shall affect the salaries of present incumbents. The consequence is that, as some of the salaries are to be increased whilst none are to be reduced, it is impossible at present to look for any diminution of the total cost. It is indeed probable that the immediate difference will not be large, but for several years to come there will under the Act be a gradual and certain increase in some of the salaries, whilst the falling in of vacancies in other cases, which are admitted to be overpaid, is only contingent, and the savings will not in all probability accumulate as fast as the increases. The change was, nevertheless, in our opinion, judicious, and in the course of a few years its good

effect, even from a financial point of view, will probably begin to be felt; we wish, however, to point out that no present saving, but rather the contrary, can be expected to follow from the introduction of the new scale of classification.

2. Another most important point has claimed our attention, viz: whether the numbers of the existing staff are in excess, or otherwise, of what is required for the due performance of the duties devolving on them. There is no doubt that, in consequence of the new distribution of the public business since Confederation, the staff in some of the Departments is not fully employed, as will be seen in our detailed reports upon them; but on the other hand, in others, we have shewn that additions will be required for the efficient performance of the duties. To some extent doubtless this may be remedied by the transfer of redundant hands from one Department to another; but it frequently happens that the men who could be spared are not the class of men who are wanted elsewhere. We may, for instance, find an unnecessary first class clerk in one, whilst two or three juniors are wanted in another, or an excess of juniors who cannot supply the deficiency of an additional book-keeper, who may be required. Upon the whole, constituted as the Departments now are, we see but little prospect of reducing the entire staff.

3. The third article of our instructions directs us to report upon "what changes can be effected either in the reduction of the number of officers, or the transfer or retirement of any of them, and upon what terms such changes can be made." The first part of this we have already alluded to, but the latter part seems to point more particularly to some arrangements for disencumbering the service from men, who from age and infirmity are no longer efficient for the performance of their duties. The large excess of men advanced in years, is, as far as we have been able to determine, more felt in the outside services than in the Departments at the seat of Government. Still there are some cases at Ottawa which require to be dealt with, and it is a very difficult question to dispose of, which we reserve for another report. But whether the difficulty be met by a regular superannuation scheme, as is the case in almost all countries, or by some temporary expedient, as seems to be implied by our instructions, which may meet the present emergency, though it is certain to recur hereafter; in either case there is certain to be some additional present cost. It is doubtless true that there are some cases where a man is on what is almost equivalent to permanent leave of absence at his full salary, and if he were placed on a reduced retiring allowance, no addition need be made to the staff. But these are extreme cases, and in most instances there would be promotions in the higher grades, and the introduction of a new junior, which would more than compensate for any saving arising from a reduced retiring allowance.

4. Under these circumstances, with the view of enabling Government to judge of the possibility of making reductions, we have looked carefully into the duties which devolve upon each Department, and after consultation with the Deputy Head, if he did not form one of our own body, we have suggested in each case a theoretical staff, showing the number of clerks who would be required, classifying them in each rank, according to the importance and responsibility of the duties which would be assigned to them, and we have added a comparison with the existing establishment. This theoretical classification was comparatively simple; but when we came to deal with the men who are now carrying on the work, a complication of difficulties met us at every step. We do not consider it to be properly part of our duty to take into consideration the qualification of individuals for their several offices. This is rather a question for the Head of the Department; but statements having been submitted to us from each Department of the existing staff, and how it was proposed to distribute them according to the new classification, the great disparity in rank and salary of many of them, as compared with what these would have been under the theoretical organization, forced upon us the investigation of individual cases. Unless the Government intends to arrange the staff *de novo*, ranking them according to the duties they have to perform, as if they were altogether new appointments, and without any regard to their present position or length of service, it seems absolutely necessary to lay down certain rules, according to which the standing of men under the former system can be converted into the corresponding standing which they would have under the new law. If it were left to each Department to deal with its own men, there would be certain to be various views of the question taken by each, and men in exactly the same position, both as to their present standing and the importance of their duties, would be differently treated, causing great dissatisfaction and jealousies, which could not but be very detrimental to the general tone and spirit of the public service.

5. We are of opinion that there are three considerations which should be taken into account in determining the position of each individual, viz., the nature of his duties, the length of his service, and the salary to which he has attained. We therefore drew up a set of rules founded upon these three points, and we have carefully gone over the whole staff of the Departments one by one, applying the rules in each individual case, and when we found that they would operate unjustly in some instances, modifying them if it seemed necessary, so that, as far as possible, substantial justice should be done to all. In a large service like that of Canada, where we are attempting to convert one classification into another which proceeds upon a very different scale, and where we find a very large number of men whose present position is not in accordance with either scheme, it can hardly be avoided that the strict application of any set of rules would work more favorably for some men than for others, though there may be little difference in the merits of each; but any such casual inequality would be far less injurious than a discretionary power in the Department, or even in the General Government, to meet particular cases of apparent hardship by an exceptional method of dealing with individuals. Under fixed rules such instances would be few, whilst there is no limit to the use which might be made of a discretionary power to set aside the rules, and the Government and Heads and Deputy Heads of Departments would be constantly beset to treat every imaginary case of hardship exceptionally. Moreover, as we have before stated, there is nothing so injurious to a healthy tone amongst the public servants, and to a cheerful and hearty performance of their duties, as the impression that some are more favorably treated than others; and though every man may probably still think that his merits entitle him to a better position and salary than that assigned to him, he will accept the decision more contentedly, if it is guided by a deliberately formed set of fixed rules, than if there were any suspicion even of favoritism in the selection.

6. We therefore submit in Appendices (A and B) the rules which we have prepared, and a list of the entire Departmental staff as it would stand under them, with all the details of rank, salary, length of service, &c., which have formed the grounds of our classification; and we recommend that they be confirmed by Order in Council, so as to form the basis upon which the new Act is to be applied now and hereafter. We wish, however, in our present report to point out some of the difficulties which we have met with, and the reasons which have influenced our decision with regard to them, and in order to guide the Government in modifying these rules if they should think it necessary, we have given in the Appendix a list of the men to whom these difficulties apply. We have also thought it necessary to add a list (App. I) of certain men who are strongly recommended by the several departments for a standing higher than the strict application of the rules would entitle them to, in case Government should determine to deal with them exceptionally.

7. No specific provision is made in the Civil Service Act for the salaries to be assigned to the Deputy Heads, and we have therefore placed them all at their present salaries.

8. No specific salary is assigned to Chief Clerks by the Civil Service Act, and a provision must be made for them in the scheme to be submitted to Parliament. We see no reason why the principle of a progressive increase, which is adopted for the lower ranks, should not be extended to them. It possesses many advantages, and it would not, we think, entail any additional cost, as the salary might in that case commence at a lower rate than would be necessary if the salary was a fixed one. Thus, the maximum of the first class being \$1,800, the salary of a chief clerk should be somewhat higher—not less than \$2,000 if it is to be a fixed salary. But if there is the same annual increase of \$50 as in the lower ranks, the minimum might very well be placed at \$1,800. If under these circumstances a first class clerk, who had reached the maximum of his class, were promoted to a chief clerkship, he would receive no increase of salary the first year, but his promotion would consist of a prospective increase for the next eight years, till a maximum of \$2,200 was reached. The aggregate salary for the first nine years after appointment would be the same as if the salary were fixed at \$2,000, and it would only be very rarely that any additional cost would result from such an arrangement; but the prospect to the employé of gradually rising to \$2,200 would be more satisfactory than the present attainment of \$2,000 with no prospect beyond it. For these reasons we suggest that the rule should be established for all Chief Clerks, that there should be an annual increase of \$50, limited to eight years. We do not however think that it follows that the minimum and maximum for all chief clerkships should be fixed at the same rate, as the responsibility attaching to different offices is very various. We

think therefore that there might be two distinct rates, viz : Chief clerkships increasing from a minimum of \$1,800 to a maximum of \$2,200, and others from a minimum of \$2,000 to a maximum of \$2,400. After carefully considering the nature of the duties of each we have in Appendix C classified all the proposed Chief Clerkships under these two rates, and we have assumed them in our theoretical classification. In some Departments there are no special duties to be assigned to a chief clerk, and yet some one must be designated as second in command. Such cases are provided for by the 13th section of the Civil Service Act, and we propose that an additional allowance not exceeding \$400 may be made to one of the first class clerks as acting Chief Clerk, but so that the total salary, including that of first class clerk with the additional allowance, shall in no case exceed \$2,000.

9. There are some officers, principally in the Engineering staff of the Department of Public Works, of a special character, who do not naturally fall under the general classification. These we have set down at the salary they now enjoy.

10. There are some men who are now in receipt of a salary higher than that which belongs to the rank in which their duties would place them according to the theoretical classification. We have given these salaries as we found them, as by the Act we have no authority to reduce them, and in the majority of cases the salary is not beyond the maximum of the class, so that in the course of a few years this discrepancy will disappear.

11. There is a large number of men whose salaries are above that to which length of service in their class would entitle them, or above even the maximum of that class, and who would thus fall under the preceding case, but with respect to whom there is a peculiarity which requires them to be dealt with separately. A very bad practice has prevailed, which it has been frequently sought to check, but which has constantly recurred, of employing men as extra clerks at a *per diem* salary, who were kept on from year to year, and were to all intents permanently employed, excepting that they were at salaries unknown to the Civil Service Act. If a man is really brought in temporarily to render some casual assistance, it is quite natural that his daily pay should be at a higher rate than that of a young man, who has secured a permanent position with prospects of gradual improvement. But when a man is really permanently employed, and only nominally an extra clerk, he may on this pretence receive nearly double the salary of a man who is appointed in strict accordance with the law, which is a manifest injustice. We do not mean to say that this anomaly was in all cases, or even generally, intentionally introduced into the service, and when it was, it was often that something more than a mere lad was wanting. In many cases the extra hand was brought in with no intention of permanently employing him, but he was kept on from month to month till it became difficult to dispense with him, and still more difficult to reduce him from \$730 to \$500 *per annum*. Still it is an injustice which is keenly felt by those who have been regularly appointed in conformity with the Act, and it is to be hoped that the greater stringency of the new Civil Service Act may prevent its recurrence. Upon several occasions when the question of granting annual increases has been before Government, such men have been classified according to their salaries, and placed on the regular pay-list; and the Order in Council of June 30, 1868, authorized all extra clerks who had had twelve months consecutive service as such, to be placed on the pay-list at their then rate of salary, until the whole service was reorganized. Under these circumstances we did not feel justified in suggesting any change in the present salaries, but we append for the information of Government a list of all men occupying this exceptional position (App. D.)

12. In connection with the subject of extra clerks we wish to remark that the former custom has been to count the *per diem* allowance for all days including Sundays and holidays, and temporary leaves of absence. We think that this practice should cease, and that when a man is employed by the day he should only be paid for his actual attendance.

13. Since July, 1867, several new men have been appointed at salaries not corresponding with any particular rank in the present classification. We have taken them at the salaries at which we found them, although in the case of some Departments at least it was distinctly understood, that such salaries could only be considered temporary arrangements, until the contemplated Civil Service Act was passed, and to which Government was not in any way pledged.

14. There is another point affecting the salaries of a large portion of the staff, upon which the Government must decide. Up to June 30, 1867, all the employes received the annual increase to which they were entitled under the old Civil Service Act, and from July

1st, 1868, it is proposed that they shall be rated under the new Act. But in the interval all the salaries remained unaltered. In the rules which we have laid down, and in the Appendix B, where these rules are applied to each individual case, we have dealt, with the salaries as we found them; but we have serious doubts whether until the new Civil Service Act came into operation, the salaries should not have been regulated upon the old scale. Under the former Act, if it is held to have been in operation, about 50 of the 180 employés would have been entitled to an increase of \$40 in the year 1867-8, and some others, having served their two years as probationary clerks, would doubtless have been raised from \$500 to \$600. If such a claim should be admitted, it will not only involve the payment of an arrear for the past year, but it will also modify their standing during the current year, although not to the same amount. We have given in Appendix E a list of the men to whom this question applies with a statement of the extent to which it would involve an increased expenditure.

15. There were also some men who had received their promotion in the customary manner during the year 1867-8, some by departmental order and some by Order in Council, (for there was no uniform practice in this respect,) but as the estimates were voted upon the basis of the salaries paid June 30, 1867, the promotion was not carried out in practice. We have treated all such men as we have found them, but as any other decision might not only give them a claim for arrears, but would modify their standing this year, we submit in Appendix F a list of their names for the information of Government.

16. It is to be observed that all new probationary clerks before July 1st, 1868, when the new Civil Service Act came into operation, were appointed at \$500, the old rate, excepting in one instance in the Customs Department, where a probationary clerk was appointed at a new rate of \$300. We think that all should be placed on the same footing, and we have therefore in our statements of the staff placed the clerk in question at the higher rate.

17. There is an inequality, which has frequently been brought under our notice, in the salaries and positions of men between whom there is otherwise no real difference. Some men are now enjoying a higher salary and position than others of the same or of a greater length of service, without there being any sensible difference in their duties or qualifications. This in many instances has doubtless arisen from the exceptional positions which some attained to by being originally brought in as extra clerks, as before explained, and in others from their being promoted from class to class more rapidly, or otherwise not in accordance with the former law. In all such cases we have acted upon the principle that we cannot go back upon past transactions. We have taken the men as we found them, and we must assume that there was at the time sufficient cause why one man was more favorably treated than another.

18. There is another point which has been urged as operating unjustly upon men, who have lately entered the service in the lower ranks under the old Civil Service Act. They engaged themselves at \$500 a year in the 4th class, with a prospect of promotion into the 3rd, and of rising in it to \$800 in the course of eight years; but under the new law, if they are promoted on reaching the maximum of the 3rd, they would be ten years from entrance before they reach \$800. The difference between the two scales is principally felt in the earlier years. Thus a man who last July had completed two years' service at \$500, would next July have commenced receiving \$640 under the old law; but if you give him the same standing under the new law, it would not be till the 5th year from the present time that he would reach to \$650. It is argued that a serious injustice is done to such a man by so materially altering the prospects with which he entered the service. There is considerable force in the argument in the earlier years, as in the instance above selected; but if his present rise is delayed, his ultimate prospects are proportionately improved. If his duties and qualifications are such that he cannot expect to rise beyond the 2nd class, he has the expectation of rising to \$1,400 now, whilst formerly the maximum was \$1,100. If he expects to become a first class clerk, he may now rise to \$1,800, whilst formerly he was limited to \$1,400. The whole principle of the new Act was to provide for a better ultimate condition, when a rising family rendered it necessary, at the expense of the earlier years of service, in which the salaries were formerly unnecessarily high. We do not think that any exception can be made for such cases, but we think it necessary to state the argument for the guidance of Government.

19. In connection with this subject there are a few features in the new Civil Service Act, in which we would suggest some modification, if not by legislation at least by an Order in Council defining the interpretation to be given to the law. The Act provides that

no more than \$600 shall be paid to the private Secretary of a Minister, and that such Secretary shall not be permanently a member of the Civil Service, but shall go out with the Minister, unless otherwise appointed. Now, a Minister's private Secretary must necessarily be a man of intelligence, of some experience in the methodical conduct of business, and a gentleman in manners and habits. A mere lad, however promising, would very inadequately fill the situation; and yet very little more can be expected to be obtained for \$600 unless indeed it is assumed that the Minister is to supplement the official salary from his own funds. If the situation is not a permanent one, but contingent on the Minister's tenure of office, such a small salary becomes even less likely to induce a young man of the requisite qualification to accept the situation. It is, however, for many reasons advisable that a private Secretary should not be a permanent member of the Civil Service. It is hardly to be expected, on a change of Ministry, the new Head of the Department would be willing to retain the private Secretary of his predecessor, to whom he may have been violently opposed in politics; and it would scarcely be desired by the out-going Minister, that a man, who has necessarily been more or less mixed up in confidential matters, should be placed in a similar position with a political opponent. Yet, if every new Minister is to bring in with him a Secretary who becomes attached to the Department, it will speedily be overcrowded by men, who may possibly not possess the requisite qualifications for such vacancies in it as may have occurred. Even if the salary were much higher than that named in the Civil Service Act, we doubt whether good men could be always found willing to accept the situation, if its continuance were clearly understood to be dependent upon the permanence of the Ministry. In England, the state of society is very different, and there are numbers of well educated young men of some private means, who would covet the situation for its social position, or embryo politicians to whom it would be an advantageous introduction into public life. But in Canada, the late private Secretary would be certain, upon some excuse or another, to be left as an encumbrance upon the Department, and the higher salary the greater encumbrance he would prove. There are difficulties from whatever point you view the subject, and yet the increasing business of Government renders it almost necessary, in many of the Departments at least, that the Minister should have some assistance of this kind. Perhaps, the best way of meeting, or rather compromising, the difficulty, would be to appoint the Secretary regularly as a member of the Civil Service, but at a rank not exceeding the minimum of the Junior 2nd class, with power to the Minister to make him an additional allowance as private Secretary, which would bring his total salary up to, say, not more than \$1,200. For such a sum, a young man in every respect qualified could be obtained, and the Minister might, and probably would, sometimes select a promising young man already on the staff. If, on the retirement of the Minister, he had better prospects elsewhere, he would resign his appointment in the Civil Service, or if not he would at any rate have had a certain length of service whilst enjoying the additional emolument as private Secretary, and would after a while be eligible for promotion. By such an arrangement, there would, no doubt be constant additions to the staff, but not perhaps greater than the increase of business or the occurrence of vacancies would justify; and as a rule, such additions may be expected to be of better material than the average. One advantage of giving such new appointments a definite, although a low rank in the service, would be that experience has shewn it to be more easy to check extraordinary promotions, than new appointments to exceptional positions. We submit this suggestion as a possible compromise, but in any case, the existing provision of the statute must be in some way modified, for although in most of the Departments we have found some one practically filling the office of private Secretary, there is not one who falls within the limits of salary proposed by the Act. In the absence of any certain rule to follow in these cases we have, in our theoretical classification, taken no notice of private Secretaries, but we have classed the gentleman now occupying such position according to their standing as ordinary clerks, leaving the question of any extra remuneration, as above suggested, to be decided by Government.

20. One of the main differences between the present and the late Civil Service Act is the different position now held by a first class clerk. Formerly almost everybody had a prospect of rising to that rank, and indeed thought himself neglected if he did not, but now the first class clerkships are limited to the persons performing certain important and specified duties, and the creation of a new first class clerkship requires the distinct assent of Parliament. Below that rank there are no such obstructions to indiscriminate promotion, and if we

may judge from the past the result would be, that every man in the service, if he lived long enough, would become a senior second class clerk, or would be constantly pressing for promotion to that rank. After a minute examination of the duties in each Department, we have come to the conclusion that a very similar rule may be extended to second class clerkships. It is not indeed possible so distinctly to appreciate the work in the lower ranks, as to be able to say that a man performing certain defined duties should be a senior second; the utmost that can be said is, that, if he is otherwise eligible by length of service and good conduct, there can be no objection to giving him his promotion. It might even occur that of two clerks one might be performing duties of a somewhat higher order than the other, yet if he were a young man who had barely reached the top of the junior division, whilst the other was an old servant doing the slightly inferior work to which he was accustomed well and thoroughly, the preference in promotion might be given to the latter. A senior second class clerk's duties cannot be so accurately defined as those of a first class or chief clerk, and yet it is very desirable to limit the promotions to that rank. The distinction which we submit would be the following. When the Government lays before Parliament the proposed organization, the chief clerks and first class clerks would be separately enumerated and their duties briefly defined, excepting in the case of one of the first class clerks receiving additional allowance as chief clerk, when this would be mentioned. If a new chief clerkship or first class clerkship has to be created, it would be submitted as a separate item in the estimates, and the reasons and definition of the duties must of course be given. All this is sufficiently provided for by the Act. The amount necessary to pay the salaries of these higher offices, if no addition to them has been proposed, would be given in one sum in the estimates, including any annual increase which might become payable. As a separate item the number and salaries of the senior second class clerks would then follow, and no person could obtain promotion, unless there had been a vacancy, or an increased number of that rank had been asked for, when of course explanations would have to be given. The third item would be in one sum sufficient to pay all the juniors for the year, without stating how many in each class, and without even stating the total number. If then a vacancy occurred in the senior second class, and a junior were promoted to it, it would be in the discretion of the Government either to add a probationary clerk, or to make promotion from the third to the junior second; but no such promotions could be made excepting a vacancy occurred, or the Government asked for a larger sum to enable it to make them. In the senior second class, however, Government would be limited to the number of clerks of that rank which was voted. In submitting the votes for Civil Government we think that these three items should be separately stated for every Department, and that the English system should be adopted of shewing at the same time the corresponding items of the previous year. If Government were thus strictly limited in each Department, it might be necessary to vote a further sum for the whole Civil Government to meet possible increase of the staff which might be required, upon the distinct understanding that this was only to cover new appointments in the lower ranks, and not additional first class and chief clerkships, or promotions, which might very well wait till Parliament sanctioned them.

21. It should also be distinctly understood that the existence of a chief, or first class clerkship, does not entitle a man performing the duties to that rank. It is only permissive, and there would be no injustice if a young man, on the high road to promotion, were detailed to perform the duties of a first class clerkship for some years before that rank was given to him, if his regular salary, which would go on annually increasing, were very much below that of a higher rank.

22. We have been much struck with the very various rates of travelling allowances made in different Departments. In some cases, as the Prison Inspectors, an account is rendered of the actual payments for fares, with a further allowance per day, to cover living and other expenses; in others as Customs Inspectors, there is a *per diem* allowance of \$4 or \$5 to cover every thing; and in others again both travelling and living expenses are charged, with from \$2 to \$5 a day besides. A man on the Engineering Staff of the Public Works Department, for instance, who is sent away to report on some work, receives an allowance which will barely cover his actual outlay; and as he will have men under him, he is probably on duty for ten or twelve hours daily, and has to write up his work at night. On the other hand a junior clerk, who is sent with despatches to Quebec, has often been allowed \$5 a day, besides his travelling and living expenses. These may be considered perhaps the two extremes, but similar inequalities to a minor extent prevail in the different Departments. There is an

apparent simplicity in making a definite per diem allowance to cover every thing, but it must necessarily operate very unequally. If one man's time is principally engaged in travelling, \$5 a day will not cover his actual expenditure for fares; whilst another who is stationary at some point, though absent from head quarters, will make a considerable profit out of such an allowance. There should be an Order in Council, laying down a scale applicable to all Departments, and we think it should be based upon the principle that every one should render an account of his *actual* expenditure for travelling, and receive a further per diem allowance for living and casual expenses. This would to a great extent obviate another objectionable practice. Many men, as Customs Inspectors, have free passes by rail and and steamers—really if not nominally official passes—yet they charge for travelling like those who pay their way. Each person should, therefore, distinctly certify to the money actually expended for this purpose, whilst the measure of his hotel bills may be left to himself, to cover which, and casual expenses, there should be a further charge per day, which might be graduated according to circumstances, and should in each case be approved of by the Head of the Department, within a certain limit fixed by Order in Council. An exception might possibly be made to this rule, for certain officers whose special duty it is to travel, as Inspectors, but in their case the question whether their office involves free passes should be taken into account. Formerly the Post Office Inspectors used to be paid moderate salaries, with handsome travelling allowance, so that a considerable portion of their emoluments arose from the saving they could make whilst travelling. At present they have liberal salaries, but the allowances for travelling barely cover their actual expenses, so that it is against their personal interests to keep moving amongst the offices under their charge. It may be questionable whether this is a wise policy in such cases, but the principle of a fixed sum per day is liable to great abuse. The whole question is well worthy of serious consideration, for the cost of travelling for the whole service was upwards of \$30,000 in the year 1866-7, exclusive of the Governor General, Ministers and the Delegates to England.

23. The Adjutant General's branch of the Militia Department is provided for by a separate vote under the General head of Militia, and the staff does not strictly belong to the Civil Service. We think that the ordinary clerks should be declared by order in Council to be subject to the same rules as in the Departments, and that the office contingencies should be similarly included.

With these preliminary observations we will proceed to report upon the duties and organizations of the Departments *seriatim*.

THE GOVERNOR GENERAL'S OFFICE.

The Governor's Secretary being absent, the principal clerk gave us all necessary information.

The business of the office consists mainly of correspondence with the Colonial Office, with H. M.'s Minister at Washington, and with Consuls and other Imperial Officers. In short all matters affecting Imperial interests in Canada pass through this office.

The principal office work is shown by the books—registers of letters classified, despatch books, public and confidential; correspondence with persons who address the Governor General on subjects which are referred to other Departments; making copies of despatches when required; collecting despatches on particular subjects when wanted, and other similar work.

Up to 1856 it was customary to have the despatches from the Home Government regularly copied into the book, forming when indexed a convenient record and reference. From the want of a sufficient staff at the time, the copying was discontinued, and has not since been resumed. We are informed that the original despatches are often called for at meetings of Council, or by individual Ministers, and it sometimes happens that they are mislaid, and if wanted afterwards cannot be found. We deem the matter of sufficient importance to warrant orders being given to have the former practice resumed, at least since the date of Confederation.

As the Secretary is changed with the change of Governor, the principal permanent officer should have the rank of a Chief Clerk, and he would require the assistance of a senior second class clerk and a junior.

At present, the office keeper, who is in charge of all the upper story of the Eastern Block, is on the payroll of the office, but the duties are principally connected with the Privy

Council, to which he should be transferred. He has also for many years been in receipt, over and above his regular pay, of an annual allowance, out of the contingencies, of £20 stg. at the old rate of 4s. 2d. to the dollar, or \$83.33, nominally for personal attendance on the Governor General. This should be discontinued, and his whole pay should appear on the paylist. There are beside two Messengers, one a man of 72 years, who has been many years in the public service.* If he were provided for, we think that one Messenger would be sufficient, as personal attendance upon the Governor General himself is provided for by two Orderly Sergeants, who are paid out of contingencies, but should appear on the regular paylist.

Lieutenant-Colonel Irvine, as Provincial Aide-de-Camp, is returned to us as attached to this office, although his pay is always included in the vote for the Militia. We think, as his services have no connection with Militia, he should for the future be considered attached to the Governor General's Office.

THEORETICAL ORGANIZATION.

RANK.	SALARY.		
	Minimum.	Maximum.	Average.
	\$	\$	\$
Secretary.....	2,400	2,400	2,400
1 Chief Clerk.....	1,800	2,200	2,000
1 Senior 2nd Class Clerk.....	1,100	1,400	1,250
1 3rd or junior 2nd Class Clerk.....	400	1,000	700
1 Messenger.....	300	500	400
Provincial Aide-de-Camp.....	1,840	1,840	1,840
2 Orderly Sergeants at 50 cents per day.....	365	365	365
Total Staff. 8	8,205	9,705	8,955
Staff, July 1st..... 9	Present cost.....		10,075

This is upon the supposition that the Aide-de-Camp is transferred from Militia, and the office keeper to the Privy Council.

DEPARTMENT OF THE PRIVY COUNCIL

The Clerk of the Privy Council is the Deputy Head of this Department, and the Assistant Clerk should have, as at present, the rank of Chief Clerk. The duties of the remainder of the staff resolve themselves into,—

The keeping of the records of the Council, in which the orders are entered at length, with an ordinary and analytical index.

The drafting of the original Orders in Council, and making copies of them for distribution to other Departments. The drafting of the originals is little more than making a copy of the report of the Minister, at whose instance the Order is passed, with some trifling alterations in the form of the document, and with the addition of established formulæ.

None of these duties involve any great intellectual labour, and analogous work in any other Department would not be considered as entitling a man to a very high rank. But there is something in the importance and confidential character of the documents which are prepared by, or pass through the hands of, the Clerks of the Privy Council office, which may entitle the work to a greater consideration than would attach to similar duties elsewhere.

* He is since dead.

For this reason, we think that the person having charge of the records and indexes, may be ranked as a first-class clerk, and that one of those engaged in drafting and copying may be ranked as Senior 2nd.

At present, the first part of these duties is performed by one clerk, who is in the first-class; Mr. Vallerand, who is also a first-class clerk, being 75 years of age, and absent on leave for a year from declining health and failing sight. There is no doubt that he should be allowed to retire with some adequate provision, and in our theoretical organization we have only allowed one first-class clerk for these duties, and we are informed that the present incumbent is able to take both Mr. Vallerand's work and his own without any further assistance.

In charge of the second branch of the business, there are now three clerks, one of whom is recommended to be made first-class, and both the others Senior second-class. We cannot assent to the justice of this recommendation. The duties are not of a nature to entitle a man to the rank of first-class, and although one of the three may be ranked as a senior second, the others might very well be juniors.

There are attached to this Department three ordinary Messengers besides the Door-keeper and the Office-keeper, who ought to be included in its staff. We would suggest the possibility of reducing the number.

THEORETICAL ORGANIZATION.

RANK.	SALARY.		
	Minimum.	Maximum.	Average.
	\$	\$	\$ cts.
Clerk of the Council.....	2,600	2,600	2,600 00
Assistant Clerk (Chief Clerk).....	1,800	2,200	2,000 00
1 First-class Clerk.....	1,200	1,800	1,500 00
1 Senior Second-class.....	1,100	1,400	1,250 00
2 Third or Junior Second-class.....	800	2,000	1,400 00
Office-keeper.....	500	500	500 00
Door-keeper.....	500	500	500 00
2 Messengers.....	600	1,000	800 00
Total Staff..... 10	9,100	12,000	10,550 00
Staff, July 1st..... 12	Present cost.....		12,753 33

DEPARTMENT OF JUSTICE.

The main business of this Department consists in legal opinions given upon references from the other Departments, which are estimated at about 1,200 annually, besides numerous verbal applications upon questions of law. It has also to examine the legislation of the Provinces, and the bills brought in by private members, and to draft or revise Government bills. The fact, also, that the Minister of Justice is the head of the Government, causes a large correspondence and a multitude of miscellaneous business to fall upon the Department, which have no connection with questions of law.

The present staff is fully employed, and it is probable that an addition to it may be required.

THEORETICAL ORGANIZATION.

RANK.	SALARY.		
	Minimum.	Maximum.	Average.
	\$	\$	\$ cts.
The Deputy.....	2,600	2,600	2,600 00
1 1st Class Clerk (professional).....	1,200	1,800	1,500 00
3 3rd or Junior 2nd, two of whom short-hand writers.....	1,200	3,000	2,100 00
2 Messengers.....	600	1,000	800 00
Total Staff..... 7	5,600	8,400	7,000 00
Staff, July 1st..... 7	Present cost.....;		7,165 83

DEPARTMENT OF MILITIA AND DEFENCE.

Upon proceeding to make enquiries in this Department, we were informed that the permanent organization was postponed till the return of Sir George Cartier from England, and that the distribution of the work amongst the present employes would not be a safe guide as to what might be ultimately determined upon. There does not however appear any probability that the business of the Civil branch of the Department can be very materially changed, and in order to complete the whole staff of what properly comes under the head of Civil Government, we have appended a theoretical organization of that branch, based upon the present staff, but subject to future revision, and we hope that we may be able to include the Adjutant General's branch in our next report upon the outside services. We will only further remark at present, that considerable inconvenience, and the employment of additional messengers, seem to result from the two branches being situated in different buildings, and that if possible a change in this respect is very desirable.

We wish further to remark that the Accountant receives \$2,000 on the pay list, and has received up to June 30th, an additional \$200 from contingencies, an irregular method of payment which cannot be continued under the present law. We have included him in our scheme at the higher rate.

THEORETICAL ORGANIZATION.

RANK.	SALARY.		
	Minimum.	Maximum.	Average.
Deputy to the Minister.....	\$ 2,600	\$ 2,600	\$ 2,600
2 3rd or Junior 2nd Class Clerks, general office work.....	800	2,000	1,400
1 Chief Clerk and Accountant.....	2,000	2,400	2,200
2 Senior 2nd class	2,200	2,800	2,500
3 3rd or Junior 2nd class } in Accountant's office	800	2,000	1,400
1 1st Class Clerk (Superintendent of stores)....	1,200	1,800	1,500
3 3rd or Junior 2nd class (in store branch).....	1,200	3,000	2,100
1 Storekeeper (not classified).....	500	500	500
2 Messengers.....	600	1,000	800
Total Staff..... 15	11,900	18,100	15,000
Staff, July 1st.....15	Present cost.....		15,480

DEPARTMENT OF THE SECRETARY OF STATE.

The present staff of this Department appears to be much in excess of what is required. Of the four branches of which it consists, two, the Ordnance Lands and the Indian Office, remain as to duties almost exactly as they were before Confederation, the small amount of correspondence relating to New Brunswick and Nova Scotia Indians being not worth mentioning. But the duties of the other two, the Secretary's office proper, and the Registrar's office, have been very much reduced. Almost all the work of the Lower Canada branch of the late Provincial Secretary's Department, the staff of which now composes that of the Secretary of State, has been transferred to the Provincial Governments, whilst it does not appear that any new business consequent upon Confederation has been introduced, as what was formerly the Upper Canada Branch, has assumed all the correspondence connected with the Provinces. The Registrar's branch has no longer to attend to the large business arising out of the Registration of Land Patents, except in so far as they affect the Ordnance and Indian Lands, and the only accession of work is the registration of a few bonds, commissions and patents of invention in Nova Scotia and New Brunswick. In both these branches there must have been a very large reduction of work, but no corresponding change has been made, or appears to be contemplated, in the staff.

The Ordnance Lands and Indian Office need add very little to the work of the rest of this Department, as the old staff of those branches was transferred with the business, though their management, no doubt, involves increased trouble and responsibility to the Chief and his Deputy. We say that they need not, though in fact they do add much to the office work, and if the register of letters received and sent were taken as the test of the work, it may very likely appear that as much correspondence is entered in it now as formerly, as the whole of the Ordnance Lands and Indian correspondence appears there. We think that this is a great mistake in the organization of the Department, and occasions a great deal of unnecessary labour. It is evident that each of these branches, in order to conduct its own business

properly, must keep a register of the letters received, and the action taken upon them and copies of the answers. If therefore, the same thing is done in the Corresponding branch, the work is twice performed without any adequate benefit. If all the letters relating to any of the branches are to be directed to the Secretary of State, it may be proper that they should be entered in the general register, but the action taken thereon need only be recorded there as "transferred to the Indian branch," or as the case may be. Any further action as correspondence arising out of such a letter until the final conclusion of the business, should be entered in the Indian Branch Register, to which reference can always be had. But the letters sent occasion a still greater unnecessary multiplication of work. In the Ordnance Lands Branch, the Agent generally only reports the answer which should be given; although it appears that he sometimes drafts it. These reports and drafts are copied by press in his office, and the letter is written, and copied by hand into the letter book in the Secretary's office. In the Indian Branch, the Deputy Superintendent always writes the letter, and it is copied by hand in his office. It is then sent to the Secretary's office to be signed, and is again copied by hand. In one respect, the practice of the Indian Branch is much preferable, as it must often be most unsatisfactory, that the letter actually written has not been seen by the person most intimately interested, and is not entered in his books. But on the other hand, the copying a letter twice over by hand, into two books kept on opposite sides of the same passage, is a most unnecessary multiplication of labour. We think that the course to be pursued should be the same in both cases. The Officers of the Ordnance Lands and Indian Branches should each write the letters which have to be sent. Having received the signature of the Secretary or his Deputy, they should be copied in the letter book of the Branch by press, the only record of them kept in the Secretary's office being an entry in the Register against the letter to which they are a reply, and perhaps a note in the letter book "vide Indian Letter Book."

We have been thus particular upon the subject of recording correspondence, because this is the main business of the Secretary's Office proper. The whole system pursued in the office has this one object in view, to keep an exact record of all letters and what has been done in the matter, whether transferred to some other Department for action or only referred to it for report, and of what further action or correspondence arose out of such report. The system upon which these registers are kept, and the papers filed away, appears to be methodical and regularly kept up, and no doubt worked satisfactorily in relation to the former business of the office. But when the two new branches were added to it, involving the action of the head of the Department himself, and not, as was most frequently the case before, a reference to some other Department, we think that it was a mistake, though perhaps under the circumstances not an unnatural one, to treat them as far as correspondence was concerned almost as if they were separate Departments. It has certainly been the cause of unnecessary labour, and if the system were altered the staff might be reduced.

But this is not all the copying of letters which takes place. It has been the custom in both branches of the Secretary's Office, first to draft the reply to any letter, the draft being filed together with the other papers. It is then copied for signature and again copied into the letter book. A letter is thus written three times over in the Secretary's Office, besides such copies as may be made in the Indian Office or elsewhere. We believe that this system is a remnant of the old practice when all letters were first sent to the Governor General for approval. It is defended upon the ground of the convenience of having all the correspondence together—the original letter, the references to other Departments, and the reply or replies—and no doubt it is a convenience; but it may be a question whether it is worth the cost. Other Departments have correspondence fully as important as any in the Secretary's Office, but if the same system were followed by them a very large increase of the staff would be the consequence. There is another evil resulting from this system—that with so many copies to make, it is almost impossible that an answer to every letter can go by that day's mail, which in other Departments, specially interested in the matter on hand, would be an almost insuperable objection. For this reason, if it is considered necessary to have all these hand-made copies, the plan pursued in the Department of Public Works would be an improvement. They also copy all letters by hand into a book, but to save time they copy them first by press and send them off and copy from the copy in a book at their leisure. The Assistant Secretary strongly urges the necessity of copying by hand in consequence of the fragile nature of the press-made copies, and important documents which have frequently to be refer-

red to may, as is often done in other Departments, be copied into a book; but as a rule we think the press-made copy sufficient, especially when, as the Secretary's Office, the original draft is on file in the Department.

In one respect there has been a judicious arrangement, which, we think, might to some extent be copied by other Departments which have several separate branches. The Registrar's branch used to be kept quite distinct, and as it involves no correspondence whatever, it did not naturally ally itself with the Secretary's office proper. The great bulk of what was formerly the Registrar's staff, whose duties consist almost entirely in copying, together with some of the junior employes in the other branches, are not now looked upon as belonging exclusively to one branch or the other, but are available for the work of the Department generally. They even do copying for other Departments occasionally, and it is a question well worthy of consideration, whether this system might not be extended, and whether there should not be attached to some Office a staff of copying clerks ready for any miscellaneous business, thus avoiding the necessity for calling in extra hands into other Departments. The supernumerary clerks elsewhere, whom it will be difficult to get rid of, would thus be to a certain extent utilized; but there would always be the fear that, with such a staff on hand, other Departments might seek to save themselves trouble by sending out the work which they ought to do themselves. To avoid this, it has been suggested that the Office having the control of such an extra staff should charge for the work, so that the desire of every Deputy Head to keep down his own contingencies would operate as a restraint upon any unnecessary use of this resource. We are informed that a very similar practice prevails in France. However this may be decided upon, we think that, considering the very heavy business of recording Land Patents, from which the Registrar's branch is now relieved, this supernumerary staff would otherwise be much in excess of what will be required, particularly if the system of copying everything by hand, which prevails throughout the Department, were modified. It may be possible that the reduction to the full extent cannot take place at once, because, when the Land Patent books were transferred to Ontario and Quebec, the Ordnance and Indian lands were included in the same indexes, and separate indexes have now to be made for them; but this work ought to be soon completed.

There is a peculiarity in the position of the Deputy Registrar, which will require some modification. The present occupant, before he received the appointment, was Clerk of the Crown in Chancery, and his salary as such was not included under the head of Civil Government, but was separately voted under the head of Legislation. Upon his appointment as Deputy Registrar his salary from the united offices was increased, whilst the total cost to the country was reduced; but it has not been decided how much of the united salary belongs to the one office and how much to the other. Since his appointment in July, he has continued to receive his old salary of \$1,120 as Clerk of the Crown in Chancery, with an additional \$880 charged against Civil Government as Deputy Registrar. This arrangement is merely temporary, and it would be immaterial what apportionment were made if the same officer continued to fill both offices, which may have been intended; and we think that in the proposed organization the united offices are of sufficient importance to constitute a chief clerkship, though neither of them would be separately. For this reason, as well as on account of the necessity of distributing the salary between the two services, if the offices are only casually united, the point ought to be definitely settled. We think that the rank of 1st Class Clerk is sufficient for the Deputy Registrar alone.

In the Indian Branch we found the business well and systematically conducted. The book-keeper has latterly had an assistant, who, on the principle already mentioned, was included in the organization submitted to us on the general staff, although really entirely occupied with the Indian Branch. He is since dead, and no successor has been appointed, but it will be probably necessary to give the book-keeper a junior assistant. We also found one of this supplementary staff, whose time is exclusively occupied in copying the Indian correspondence by hand, and all Orders in Council affecting Indians into a book. The latter labour appears to us entirely unnecessary, as the copies of Orders in Council are furnished in a uniform shape, and might, at the end of the year, be bound into a volume as is done in other Departments; and the rest of this work might be entirely saved by the use of a press. Another point connected with the Indian Branch remains to be noticed. It was the custom, before the Indian Fund was transferred by the Imperial Government, to make an allowance of \$400 a year to some person connected with the Attorney General's Department as law adviser to the Indian Office, just as

the Deputy Receiver General used to receive the same sum for taking charge of their funds The latter practice has been discontinued, but we find that the allowance to the law adviser is still retained. We would also remark, that since its transfer to the Provincial Government, the Indian Office has never been placed upon the same footing as other branches of the public service in another respect ; no details of the expenditure out of the fund appear in the Public Accounts, nor are the accounts furnished for audit in the usual way. We are informed by the Auditor that he has taken steps to alter this, and that since Confederation the Indian Fund will be treated like all other branches of public expenditure.

The staff of the Ordnance Lands Branch is not in excess of the business which devolves upon it. There is little in connection with it which appears to us to require special notice. The method of paying a percentage for the collection of the rents is an improvement upon the old system of salaried local agents ; but in a situation so accessible as Kingston, and where the receipts are so considerable, it would probably be more economical if either the agent or one of his clerks collected them, charging travelling expenses, as is to be done for the future in the case of Sorel. The agent is allowed to occupy a house in Ottawa belonging to Government, which places him in a more favorable position than any officer of the same rank in the service. There is also an office kept up at his residence in addition to the office in the Department, at a cost, for fire and other contingencies during the 15 months ending September 30, of \$579.45. This appears to be unnecessary.

There are now, four messengers. We think three might be sufficient.

THEORETICAL ORGANIZATION

RANK.	SALARY.		
	Minimum.	Maximum.	Average.
	\$	\$	\$ cts.
Deputy Head.....	2,840	2,840	2,840 00
Corresponding Branch, 1 1st Class Clerk.....	1,200	1,800	1,500 00
2 Senior 2nd "	2,200	2,800	2,500 00
(a) 1 3rd or Jr. 2nd "	400	1,000	700 00
Registry Branch...(b) 1 Chief Clerk.....	1,800	2,200	2,000 00
1 Sr. 2nd "	1,100	1,400	1,250 00
Indian " 1 Chief "	2,000	2,400	2,200 00
2 Sr. 2nd "	2,200	2,800	2,500 00
2 3rd or Jr. 2nd Clerks.....	800	2,000	1,400 00
Ordnance Lands..... 1 Chief Clerk.....	1,800	2,200	2,000 00
1 Sr. 2nd "	1,100	1,400	1,250 00
1 3rd or Jr. 2nd Clerk.....	400	1,000	700 00
1 Land Bailiff (not classified)	400	500	450 00
Copying and engrossing 4 3rd or Jr. 2nd Clerks.....	1,600	4,000	2,800 00
Messengers 3	900	1,500	1,200 00
Total Staff..... 23	20,740	29,840	25,290 00
Total July 1st. 25	Present cost.....		25,968 10

(a) If the letters were copied by press, this Clerk might be dispensed with.
(b) If the Deputy Registrar is not also Clerk of the Crown, he should only be a first Class Clerk.

DEPARTMENT OF THE SECRETARY FOR THE PROVINCES.

The business of this Department consists almost exclusively of correspondence, and the Registers, Indexes, &c., are kept upon a very perfect system; but the same observations which we have made upon the Secretary of State's Office, relative to the unnecessary labour of hand copying, apply with equal force to this Department. As the only correspondence with which the Department is charged consists of that with the Lieutenant Governors and the Provincial Governments, it is necessarily very limited in amount. The total number of subjects of correspondence entered in the Register during the 12 months preceding our inspection, was only 540, and the letters sent and copied, excluding mere printed acknowledgments, was 511. It must, however, be observed, that each subject often involves more than one letter, and that, although the letters sent are often little more than formal acknowledgments, they frequently were only the accompaniment of copies of voluminous correspondence and other documents involving much manual labour. The corresponding numbers in previous years, when this Department constituted the Upper Canada Branch of the Provincial Secretary's Office, were:—

	1865-6.	1866-7.	1867-8.
Subjects of letters received.....	1,586	1,467	540
Letters written.....	1,226	1,290	611

Under these circumstances, we believe the present staff, to which one clerk has been added since Confederation, to be very much in excess of the requirements of the office, and that it would be still more so if the letters were copied by a press.

THEORETICAL ORGANIZATION.

RANK.	SALARY.		
	Minimum.	Maximum.	Average.
	\$	\$	\$
1 Deputy Head.....	2,600	2,600	2,600
1 1st Class Clerk.....	1,200	1,800	1,500
1 3rd or Jr. 2nd.....	400	1,000	700
1 Messenger.....	300	500	400
Total Staff..... 4	4,500	5,900	5,200
Present Staff..... 6	Total cost.....		8,140

DEPARTMENT OF THE RECEIVER GENERAL.

The business of this Department naturally divides itself into two branches, the management of the Public Debt, and the daily receipt and payment of money. The Public Debt is of several different kinds, each with special features which require peculiar treatment.

(1.) Debentures payable in England. The Agents pay the coupons as presented, and at the date when they become payable they charge the whole amount in their accounts with their commission thereon, irrespective of whether the coupons have been presented or not. Periodically they send out the coupons which have been paid. When any of these debentures are held in Canada, it has been the custom, for the convenience of the public, to pay interest here, and the amount is charged against the Agents in an account which appears in

the Public Accounts as "Glyn, Mills & Co. Dividend Account," or "Baring Brothers, &c," as the case may be. The Agents' commission is charged upon the whole amount falling due, whether paid by them or not, and to this extent we think that under the terms of our agreement they are justified in their present method of making the charge; but the interest on our account current is injuriously affected by this arrangement. We are paying them interest upon money they have never advanced, to the extent of the dividend paid in Canada, until such time as our account against them has been from time to time received by them and by them credited to us. This would be remedied by our charging them interest on the dividend accounts at the same rates that they charge us on their accounts current. We also pay them interest upon the amounts, which they have never paid for us on account of the coupons which have not been presented, which must amount to a considerable sum, and we have no account in the Ledger against them for these unpaid dividends. This ought to be remedied. In the early days of our dealing with our present Agents, the coupons paid were sent out very irregularly, or not sent at all. Latterly the coupons have been transmitted; but in some cases they have not been systematically sorted and are unaccompanied by schedules. Several years ago an attempt was made to have the arrears checked, and some extra hands were introduced into the Department for this purpose; but in 1863, from what appears to us an undue desire for economy, these extra hands were dismissed, and to the present day we do not know to what extent our coupons remain unpaid. We think that a line ought to be drawn on the first of July next from which date a new system should be commenced, and that additional assistance should be brought in, which may readily be procured from redundant employes in other Departments to work up the arrears as soon as possible. From the 1st of January next the coupons should be regularly sent out at least quarterly, and they ought to be at once checked off against the Debenture books, and from that time a separate account should be opened with each of the Agents to be called "Unpaid Dividend Account." It is evident that this process would be very much facilitated, if with their quarterly accounts the Agents sent out a statement of the interest actually paid by them. It would amount to exactly the same thing whether the Agents charged in their accounts the sum actually paid by them for our interest, or whether they charged the whole amount, giving us credit for the unpaid dividends and for the dividends which we have paid here. The latter would probably be the more convenient method, but one or other should be adopted for the future, and arrangements should be made with the Agents to that effect. The transactions having been placed upon a satisfactory footing for the future, the statement of unpaid dividends up to January 1, 1869, ought to be made out as soon as possible, and when complete should be added to the general unpaid dividend account. This would also be very much facilitated by the co-operation of the Agents. If we do not get a statement from them of unpaid dividends, but depend entirely upon the coupons received for making it out, any coupons lost or misplaced, or the entire loss of a box at sea, would vitiate the whole account. We think that the statement should originally come from the Agents, and that the coupons should be checked against it as well as against our Debenture books. Upon the same principle, when we pay coupons in Canada, we send a detailed statement to them and the coupons themselves might be sent as vouchers if required, such coupons having already been checked against our Debenture books.

As far as these sterling Debentures are concerned the financial Agents are the parties who originally pay, and the Receiver General checks their payments; it is therefore unnecessary that there should be any other check in the Finance Department; but with respect to such of these sterling coupons as are paid in Canada, it is the Receiver General who pays under the authority of an open warrant, and to make the system of check complete, there should be somebody to whom he must render an account. The coupons presented should be checked against his Debenture books by the Receiver General before payment, and when a periodical statement is prepared to be sent to the Agents, as above mentioned, it should be checked in the Finance Department against the coupons themselves.

(2.) The Debentures payable in Canada are differently situated. Here it is the Receiver General who pays, and duplicates of the Debenture books are kept in the Finance Department, by which his payments are checked. But the check is by no means complete. When a claim is made upon him for interest, he fills up a requisition note under an open warrant, in place of applying for a warrant as for all other payments, the requisition containing a schedule of the Debentures on which the interest is claimed, but not accompanied by

the coupons. Upon the authority of this requisition the Deputy Inspector General countersigns the cheque, and the entries are made in the Debenture books of the Finance Department. Now before the Receiver General draws his cheque, the coupons presented ought to have been compared with his Debenture books, and there can be no reason why the coupons themselves should not accompany the requisition, which should be checked against them before the cheque is countersigned. That having been done, it is immaterial whether the coupons remain in the Finance Department, or are returned to the Receiver General, the entries in the Debenture books of the Finance Department being made either from the requisitions or the coupons. There are however some of our Debentures, now fast disappearing, which have no coupons, the payment of interest being endorsed upon the Debenture. In these cases, the check would remain imperfect unless the owner of the Debenture, upon coming to the Deputy Inspector General with the requisition and the cheque for counter signature, brought with him the Debenture itself.

(3.) The Dominion Stock stands in altogether a different position. Before the half year's dividends become due the Receiver General obtains a warrant for the proper amount payable, charged against interest on Public Debt, and draws it out in three cheques, and deposits them to the credit of a special account, called Dominion Stock Dividend account, at Ottawa, Halifax and St. John. He then fills up the cheques on a special form to each individual, which are countersigned as they stand in the cheque book by the Deputy Inspector General, who keeps a list of them, and checks the total amount against the warrant. As these cheques are paid by the Bank, they are charged against the Dividend account, and the Bank periodically sends in a statement from which the unpaid dividends are written up in a book kept for that purpose, in which all unpaid dividends are carried on from quarter to quarter. This unpaid dividend account forms a deduction from Interest on Public Debt. We think that the system is a good one and that no further check is necessary, especially as the cheques are all sent out through the Bank, excepting for stock inscribed at Ottawa. The stock and transfer books are also kept upon a good principle.

(4.) The Provincial Notes form a distinct branch of the Public Debt. A set of books is kept in which all the notes as delivered to the Bank are entered, and checked off as cancelled. Upon the principle of keeping a check in the Finance Department of everything in the Receiver General's Department, there is a duplicate set of books in the former office. Whilst fully admitting the importance of there being an independent check somewhere upon all matters connected with the payment and receipt of money, we doubt the necessity for the double set of books in this case, because it is the Bank which issues the Provincial Notes under the present system, and the Receiver General has his check upon the Bank. If the system were altered, as has been sometimes proposed, and the Receiver General or his subordinates issued the Notes, then, but not till then, it would be necessary to have duplicate books in some other office.

The branch of the Department which has charge of the daily receipts and payments should have a first class Clerk at the head of it, with two assistants, one of whom has charge of the warrants and powers of attorney. The book-keeper is immediately connected with this branch, and as long as the books are kept upon the present system, embracing all the transactions of the country, he should be a first class clerk, and would require an assistant; but we question the necessity of this elaborate book-keeping in the Receiver General's Department. He must necessarily keep the accounts of the different branches of the Public Debt, of the Agents, of the several Banks, and of the Cash, but this is really all that is essential. If cash has been paid in or out, he must know what Bank received the deposit or made the payment, but it is quite immaterial to him on account of what services the transaction occurred. This is the especial business of the Finance Department, and to have a double set of books giving the same detailed information is unnecessarily to multiply the work. It is argued on the other hand that in case of accidents from fire or otherwise everything should be kept in duplicate, but if the repetition of work for this reason is to be accepted as a rule, many other important documents should be duplicated, and there seems to be no limit to which it would be confined. If the Receiver General's Ledger only contained the accounts above indicated, the book-keeper need not rank in the first class, and would not require a permanent assistant.

The Deputy Receiver General himself has very onerous duties, involving heavy responsibility. Besides the general superintendence of the Department and the signing of Deben-

tures and Cheques, he carries on the correspondence, and he has the immediate charge of a large amount of valuable property—Bonds deposited by Insurance Companies and others, Stamps, &c. He would require a confidential assistant with the rank of Senior second.

At present the Receiver General has by law charge of the Municipal Loan Funds, the payments to Seigniors, and some other special services; but as most of these will now be in the hands of the Provincial Governments, and some other arrangement should be made about the Seigniors, if they are not also transferred; we have taken no notice of them.

THEORETICAL ORGANIZATION.

RANK.	SALARY.		
	Minimum.	Maximum.	Average.
	\$	\$	\$
1 Deputy.....	2,600	2,600	2,600
1 Senior 2nd, Confidential Assistant.....	1,100	1,400	1,250
1 1st class, Public Debt	1,200	1,800	1,500
2 Senior 2nd, do	2,200	2,800	2,500
1 1st class, Receipts and Payments.....	1,200	1,800	1,500
2 Senior 2nd, do	2,200	2,800	2,500
1 1st class, book-keeper.....	1,200	1,800	1,500
2 3rd or Junior 2nd.....	800	2,000	1,400
Allowance to one 1st class as Chief Clerk.....	400	200	300
2 Messengers.....	600	1,000	800
Total Staff..... 13	13,500	18,200	15,850
Staff, July 1st..... 12	Present cost.....		16,970

FINANCE DEPARTMENT.

ACCOUNTING BRANCH.

A very material alteration must necessarily be made in the Deputy Inspector General's branch of the Finance Department, and it is susceptible of further condensation. The accounts of the Administration of Justice, which formerly took up most of the time of three of the clerks, have been transferred to the Provincial Governments, and the sub-accountants' ledger, embracing the accounts of all persons engaged in the collection of revenue, upon which three other clerks are engaged, is recommended by us to be transferred to the separate Departments which now have charge of these revenues. Before the Audit branch was established, the appropriation book was kept in the Inspector General's Office, and the book still continues to be kept although very similar work is necessarily done in the Audit Office. If the keeping of this second appropriation book were abandoned, there would hardly remain sufficient work to constitute a separate Department. The Dominion ledger would be kept by a man with the rank of 1st class clerk with certainly one, and if he were called upon as now to make out statements for Parliament and the Public Accounts, with two assistants. The warrants were formerly prepared in the Executive Council Office, but as this caused unnecessary delays, the Warrant office was judiciously transferred to the Finance Department. The Warrant clerk is now at a salary beyond the maximum of the old 1st class, and has a regular assistant; but we do not think that the duties are more than a senior 2nd class clerk might discharge, and only occasional assistance can be necessary. The warrant book, which forms the basis of the appropriation book, together with the care of the documents upon which the warrants are issued, form the business of another clerk, who may be a junior. The only remaining business of the Department is the checking of Debentures and Interest

payable in Canada, the register of correspondence, and the work of the Minister's Secretary. The Deputy countersigns all cheques, which takes up much more of his time than the original signature does in the Receiver General's Office; because the Deputy Receiver General may sign a number of cheques at once in the book, to be delivered upon the proper warrant being called for, whilst in the case of the Deputy Inspector General they keep dropping in at all times through the day, causing an amount of interruption which prevents him from attending to any consecutive business. The countersigning of the cheques is no doubt an important duty, but it is throwing away the services of a valuable officer to commit it to the Deputy Head of a Department. It is just the duty to assign to a superior clerk who is no longer as capable as formerly of active work. We append a theoretical organization of the Department if maintained as a separate branch under the existing arrangements, but on the supposition that the sub-accountants' ledgers are transferred to Customs and Inland Revenue.

THEORETICAL ORGANIZATION.

RANK.	SALARY.		
	Minimum.	Maximum.	Average.
	\$	\$	\$ cts.
1 Deputy Head.....	2,600	2,600	2,600 00
1 1st Class Clerk, Book-keeper.....	1,200	1,800	1,500 00
1 do Appropriation Book.....	1,200	1,800	1,500 00
Allowance to one 1st class clerk as Chief Clerk	400	200	300 00
1 senior 2nd Warrant Clerk.....	1,100	1,400	1,250 00
1 do Assistant Book-keeper.....	1,100	1,400	1,250 00
1 do Debenture books and correspon- dence	1,100	1,400	1,250 00
2 3rd or Junior second, general work.....	1,200	3,000	2,100 00
1 Office Keeper.....	500	500	500 00
1 Messenger	300	500	400 00
Total Staff..... 10	10,700	14,600	12,650 00
Staff, July 1st..... 13	Present cost, exclusive of those transferred		14,923 33

AUDIT OFFICE.

The Appropriation Ledger in the Audit Office is kept by double entry from the warrants when paid, and only takes cognizance of expenditure, the several heads of service being debited with the payments and credited with the authorities, each separate payment being entered at length. This with the journal involves a great deal of writing, and fully occupies the book-keeper and an assistant, and as the book-keeper is often taken off for the preparation of Statements, Estimates and Public Accounts, &c., it has been found necessary to have a second assistant to insure the books from falling into arrear. In the Inspector General's Office, the Appropriation Book is kept by single entry from the Warrant Book. *i. e.*, from warrants issued, whether paid or not, and not quite in the same detail. If the offices were united, one of these books could be saved. The Appropriation ledger would still be kept by double entry, but from the Warrant book, and much work would be saved in journalizing, with a saving of more than the clerk now keeping the Deputy Inspector General's appropriation book. Besides the ledger, another appropriation book is kept in the Audit Office, from the authorities given for warrants, which must always be kept written up to the current

moment. There is a further necessity for this latter book, as the Auditor is not only required by Parliament to see that no expenditure takes place without Legislative authority, but also by the Executive, that there is authority by Council. There would be thus three records in the united department. The appropriation book of authority for warrants given as against the sub-appropriations by Council—the appropriation ledger of warrants issued as against Parliamentary appropriations—and the general ledger which enters payments made from the cash book, without reference to authority. As a statement is made out every ten days of unpaid warrants, these three books can be periodically checked against each other.

The auditing proper and the certifying that warrants may issue, occupy the Assistant Auditor and two clerks.

There is at present a statistical clerk, who besides collecting such financial statistics as are required in the department, has charge of Insurance Companies and of all financial returns which are periodically made, as Banks, Provincial Notes, Savings Banks, Law Stamps, &c., and much miscellaneous work. He has an assistant who also keeps the register of letters. The ultimate arrangements which may be made as to statistics will to some extent affect this work, but it is evident that in any case the financial returns must be kept in the Finance Department.

It has been found frequently necessary that an officer of the Audit Office should visit outside accountants, and although many of these branches, as the Educational Departments, Lunatic Asylums, Sheriffs, &c., are now no longer under the Dominion, the new business which has been brought in by Nova Scotia and New Brunswick has more than compensated for the business transferred. It is proposed to have an officer ranking with the Customs, Excise and Post Office Inspectors, who shall at all times be available to be sent away to inspect, and who, when at Ottawa, shall have special charge of the financial business of the Maritime Provinces.

As the receipts and payments in those Provinces are, for the present at least whilst the communications are so slow, conducted on a different system from what is followed in Ontario and Quebec, a Paymaster and Auditor have been appointed in Nova Scotia, and a Paymaster in New Brunswick, through whom the business is conducted, and who are outside officers of the Finance or Receiver General's Departments. We think it is desirable that they should hold a definite rank under the Civil Service Act as attached to those Departments, but we refrain from expressing any decided opinion upon the subject until we have visited the Lower Provinces and have made our report upon the outside services.

There are two other officers now attached to the Audit Office, whose positions are rather anomalous. The Accountant of contingencies was borne on the staff of the Secretary's Office with which his duties have no evident connection; and as they consist in auditing and paying the contingencies of the several Departments, he has now been attached to the Audit branch of the Finance Department. The Auditor is charged with the duty of seeing that no payment is made without due authority of Parliament and of the Executive, and the principle established in Canada is, that the audit shall as far as possible precede the payment. In this view of the case the Accountant of contingencies is naturally an officer of the Audit Office, but on the other hand there is something anomalous in an employé in that office being the disbursing officer who has himself to be audited. Strictly speaking, perhaps he should audit the contingencies under instructions from the Auditor, and on his certificate the Receiver General should pay; but to save unnecessary references and delays with such a multitude of small sums, an accountable warrant is given to him, and he renders an account monthly, not to the Auditor, but to the Board of Audit. The Accountant of contingencies is in charge of the Stationary Office to be attached to the Finance Department under the new Act, in which Office he will require an assistant. He is at present also issuer of marriage licenses, and collector of patent and other small fees. Though the Stationary Office has no connection with Audit, it so naturally allies itself with contingencies that this arrangement appears to us to be judicious, especially as it saves the creation of another highly paid official; but the collection of fees appears altogether foreign to his other duties, and there seems to be no reason why they should not be paid direct to the Receiver General.

When the British American Bank Note Company was originally established, and the Provincial Notes were being printed there, it became necessary to establish a thorough system of check and supervision. Mr. Tims, the same officer whom it is now proposed to classify as an Inspector, was recalled from duties which he was carrying on elsewhere and was placed in

charge of the superintendence. After visiting New York and Washington, to make himself acquainted with the methods pursued there, he established a system of supervision which appears to be very perfect, and which the Bank Note Company themselves fully approve of, as giving them a more complete check over their own employés. Mr. Tims found it necessary to obtain assistance whilst the heavy work of the Provincial Notes was going on, and a junior clerk, ranking as a third class clerk, was introduced, who, when Mr. Tims was sent away to Nova Scotia, remained in charge, carrying out the system already established, and when the pressure of the work no longer required his constant presence, he has been engaged in miscellaneous work in the Audit Office. It thus happens, as the Auditor was a member of the Board of Customs, Excise and Stamps, which had the superintendence of the contract with the Company, and as the persons in charge belonged to his office, that he has to a certain extent had that branch of business attached to his office, with which it has strictly no connection. At present the work in the hands of the Bank Note Company is not of very great importance, and an occasional supervision to see whether the system laid down is strictly adhered to may be sufficient. But if the business should again increase, especially by the issue of Dominion Notes, it will be necessary to make provision for due superintendence, and in such an event it would seem to connect itself more with the Receiver General's Department than the Audit Office. In the meantime however it may be as well to leave such supervision as may be necessary to Mr. Tims as Inspector and his former assistant, the latter devoting his spare time to miscellaneous work in the Audit Office.

We have entered thus at length into the discussion of the business of these three last mentioned branches of the Public Service, not only on account of their importance, but because of the great increase of the business falling upon them during the last few years, and the consequent necessity for the re-arrangement of much of the work. The Public Debt, which formerly consisted altogether of Debentures, has now had Provincial Notes and Dominion Stock added to it, requiring an entirely different description of book-keeping and check; and if any general system of Savings Banks should be introduced, there will be a further complicated class of accounts requiring close superintendence. The new legislation with respect to Insurance Companies has thrown upon the Receiver General much additional responsibility in the custody of, and collection of interest on, the securities deposited, and upon the Finance Department a large correspondence in putting this important measure into operation. The transfer to the Provincial Governments of many services has no doubt relieved the Financial Departments from some details, but the addition of the business of Nova Scotia and New Brunswick, in which a different organization has to a certain extent to be kept up, will more than compensate for this even in the future; whilst the arrangements necessary to close up the old accounts, and to start the new system—the adaptation of three different financial systems to each other, and the arbitration between Ontario and Quebec, have been during the past year, and will probably for some time continue to be, the cause of great additional labour. Moreover, the more stringent provisions of the new Audit Act will call for greater precision in the preparation of the Estimates, and will require a close supervision over the daily transactions of the great expending Departments, with which there was formerly but little interference by the Finance Department. This alone would seem to render necessary some modification of the method of conducting the financial business of the Dominion; something analogous to the control which the Treasury in England exercises over all expenditure by other Departments, and in which the Treasury Board, when fully constituted, may be made available. We append the theoretical organization of the Audit office as now constituted.

THEORETICAL ORGANIZATION,

RANK.	SALARY.		
	Minimum.	Maximum.	Average.
	\$	\$	\$ cts.
Audit.....	2,600	2,600	2,600 00
Assistant Auditor.....	2,000	2,400	2,200 00
1 1st Class Clerk, appropriation clerk.....	1,200	1,800	1,500 00
1 Sr. 2nd, auditing.....	1,100	1,400	1,250 00
1 3rd or junior 2nd.....	400	1,000	700 00
1 1st Class Clerk, book-keeper.....	1,200	1,800	1,500 00
1 Senior 2nd, assisting book-keeper.....	1,100	1,400	1,250 00
1 3rd or junior 2nd.....	400	1,000	700 00
1 1st Class, Statistics, &c.....	1,200	1,800	1,500 00
1 3rd or junior 2nd, general work.....	400	1,000	700 00
1 Chief Clerk, Inspector.....	2,000	2,000	2,000 00
1 do Accountant of Contingencies.....	2,000	2,400	2,200 00
1 3rd or junior 2nd, assisting.....	400	1,000	700 00
1 Messenger.....	300	500	400 00
Total Staff.....14	16,300	22,100	19,200 00
Present Staff.....14	Present Cost.....		18,797 50

CUSTOMS DEPARTMENT.

In our second Report upon the outside services, we shall have to enter at large into many points connected with the Customs arrangements which may materially affect the constitution of the Department at head-quarters; we desire however, in alluding to these probable changes, to guard ourselves against being supposed to cast any reflection upon the former management. The mere fact of its being now erected into a separate Department naturally calls for some important changes in the distribution of the duties belonging to it, and there is no other Department which is so largely affected by the increase of business consequent upon Confederation, the number of separate ports being now 181 against 71 which formerly existed in Canada. The system of books and returns now required from 110 of these is very different from what they have been accustomed to, involving much correspondence, and some confusion in the returns; and as so much that is new must necessarily be introduced in assimilating the methods in the different Provinces, it is very desirable to take the opportunity of thoroughly examining the whole system, with a view of making, once for all, any changes which our experience of defects in our own system, and the example of other nations, may make advisable.

The most important of these changes which has been suggested, and which commends itself to us at first sight as correct in principle, is the introduction of a system somewhat similar to that established in England. At present each port sends its entries to the Department to be checked, but the tabulating of all the business, the arrangement of it under the different heads of articles imported free or dutiable, whence imported, &c., in short all the statistical information relating to the business of each individual port, is prepared in the ports themselves. From them monthly, quarterly and annual returns are received, which are all added together in the Department to shew the whole business of the country, forming the Trade and Navigation Returns which are laid before Parliament. In England, each port sends copies of its entries to London, and all statistical information is compiled there. We believe that this centralization of the work must result in a considerable aggregate saving of

labour and expense, and that the work will be better done by experienced hands constantly engaged in it, than if it is entrusted to all the separate ports scattered over the country. We are however fully aware that difficulties may present themselves in introducing a system which works admirably in England, where every port is within a few hours distance from head quarters, into a country so very differently situated as Canada, and some considerable modifications of it may be necessary. We do not therefore wish to express any decided opinion upon this proposition, until we have had more opportunities of examining the working of the present system in the larger ports of the Dominion, and of receiving the opinion of experienced persons upon it. Moreover, when any change is made, it should as far as possible be complete and perfect, leaving no further modifications to follow, and the whole question not only of the redistribution of the work, but of the nature of the work itself, the forms of books and returns, must be maturely considered. In the course of a few weeks we hope to have completed our survey of the outside branches of the public service, and to be able to report definitely upon this subject. In the meantime we can only submit the organization of the Department upon the supposition that no material change is made in its present business, except in the transference to it of the sub-accountants' ledger from the Finance Department.

There are some points however which are quite unconnected with the proposed changes upon which we wish to offer a remark. At present, when a seizure is made, the collector reports to the Department the distribution of the proceeds, but the net amount coming to Government is all that is paid in to the Receiver General. It is true that the whole transaction, if anything remains for Government, is brought into the Public Accounts, as if the gross amount had been paid in; but we think that the principle ought to be strictly adhered to, that the gross revenue should in all cases be paid to the Receiver General, and the expenses and proportion to the seizing officer, should be paid by warrant. There is another kind of seizure also which does not enter into the Public Accounts at all, when, on account of some parcel not appearing in the invoice, or for other informality, the goods are temporarily detained. Upon such occasions, after report to the Department, the goods are often released upon a fine to be paid to the officer discovering the informality, and no record of the transaction appears in the accounts, nothing being considered as a seizure unless the goods are sold. The fine ought to be paid in to the Receiver General, and be disposed of by warrant.

On the Staff, as returned to us, is a gentleman classed as the Minister's Private Secretary, but a large portion of his business appears to be much more that of a corresponding clerk than a secretary, and we think it very essential that there should be a clear distinction between the functions of the two offices. In the large Departments, where the time of the Minister is fully occupied, he will require a Private Secretary for the miscellaneous correspondence which every Minister is subject to, as letters from Members of Parliament, applications for office, &c., and also to procure and digest for him such information as he may want for statements in Parliament, or reports to Council, and generally to assist him in all things not involving the action of the Department. In strictly Departmental business, the letters, if not written by the Minister or his Deputy, should be prepared for their signature by the corresponding clerk, if there is such an officer, or at any rate should be entered in the departmental letter book. Unless this distinction is fully kept up, there is certain to arise a want of unity in the working of the Department. We have no doubt that as the new arrangements get into working order, any such difficulty which may have occurred in this respect will be obviated; but we think that the liability to its recurrence is very much increased by the present situation of the offices, the Minister and his Secretary being at one end of the building, and the rest of the Department being at the other extreme. This obstacle to the constant and immediate communication between the Minister and his subordinates ought to be remedied if possible.

Under its former constitution the Customs branch of the Finance Department had under it not only Excise, but the revenue from canals, slides, harbours, ferries and other minor collections. At present the Department of Inland Revenue takes charge of slides, ferries, &c., but the Customs Department still retains the collection of canal tolls. The Excise Act is silent upon the subject, and there is some inconsistency in different Orders in Council affecting it. This point should be definitely decided, and if the canals are transferred to the Inland Revenue Department, it would involve the transference of one of the present clerks in the Customs.

THEORETICAL ORGANIZATION.

RANK.	SALARY.		
	Minimum.	Maximum.	Average.
	\$	\$	\$ cts.
Commissioner.....	2,600	2,600	2,600 00
Assistant Commissioner.....	2,000	2,400	2,200 00
1 1st Class Clerk, correspondence.....	1,200	1,800	1,500 00
1 Junior 2nd, with allowance as private secretary.	700	1,000	850 00
1 Senior 2nd, seizures, registration of ships, &c...	1,100	1,400	1,250 00
1 1st Class Clerk, Book-keeper.....	1,200	1,800	1,500 00
1 Junior 2nd, Assistant.....	700	1,000	850 00
1 Senior 2nd, Canal returns.....	1,100	1,400	1,250 00
4 " Check Clerks and Statistics.....	4,400	5,600	5,000 00
8 3rd or Junior 2nd, do.....	3,200	8,000	5,600 00
2 Messengers.....	600	1,000	800 00
Total Staff.....22	18,800	28,000	23,400 00
Staff July 1.....18	Present cost.....		19,577 50

DEPARTMENT OF INLAND REVENUE.

This Department has charge of Excise, Licenses, Weights and Measures, Bill-stamps, Slides, Ferries, and the Cullers' office. As it is as yet in its infancy as a separate Department, and as at the time of our visit there was no Minister having exclusive charge of it, we cannot speak with great confidence as to the organization which may ultimately be required. In our report upon the outside services we shall return to the subject, and in the meantime we only give an organization such as would be required for the work as we find it.

Almost the only thing which calls for special remark in the present stage of our report is the anomalous position of the gentleman who fills the united offices of Assistant Commissioner and Chief Inspector. As the latter, his fixed residence is at Toronto, whilst as Assistant Commissioner he is constantly wanted at the seat of government, and he has in fact been at Ottawa for eight months out of the twelve on travelling allowance. We think that the Assistant Commissioner, as second in command in the office, should reside permanently at head quarters. There can be no objection to his travelling to preserve a proper supervision over the District Inspectors, but Ottawa should be his permanent residence.

Our attention has been called to a subject connected with the Inspectors, which would more properly perhaps have found a place in our report on the outside services, but which is, we think, of sufficient importance to call for remark upon this the first opportunity which we have of bringing it under the notice of government. The Inspectors not only participate in the seizures, but almost all the seizures since the Department was established have been made by the Inspectors. This we think is wrong in principle, unless the duties of inspection are to be considered very different from what is usually implied by the title. The proper functions of an Inspector would seem to be to act as the Agent of the Department, and to see that the subordinate officers strictly perform their duties. If any fraud occurs, in consequence of which a seizure is made, the Inspector is the person from whom Government would expect a report as to the circumstances, and he should have no personal interest in the matter. The subordinate officers necessarily do not occupy a very high position, and their salaries are small; they are exposed to great temptations, and it is proper to give them a considerable share of seizures, so as to make it their personal interest to be true to Government. But the

Inspectors have a high rank in the Public Service, and salaries in proportion, and no hope of personal profit ought to be necessary to insure their faithful performance of their duties. They should exercise close supervision over their subordinates, not only to see that they do not fail in their vigilance on behalf of Government, but that they are not induced by personal motives to be harsh and unjust to the manufacturer over whom they keep watch. If the Inspector is to profit by the seizures he is rendered useless for these purposes; he is not unbiassed in judging between the manufacturer and the exciseman, and by stepping in and claiming the lion's share of a seizure, he cuts off his subordinate from the prospect of a gain, which is held out to him as a remuneration for his vigilance and honesty. In proof of this we may state that since the Department has been established \$8,414.42 has been divided amongst Inspectors, and nothing has as yet been paid to the subordinate officers. In one Inspection District alone, by the account for the last financial year, which has not yet been fully paid, although it seems to be due under the present arrangement, \$3,290.13 accrues to the District Inspector, \$2,655.87 to the Assistant Inspector whose duties extend through all the Inspection Districts, and only \$821.13 to the Collectors and Excisemen. But even if the District Inspectors and the Assistant Inspectors should be allowed some share in the seizures, which we think would be objectionable, all the same arguments apply with still greater force against the Assistant Commissioner, as Chief Inspector, participating in them.

The Department takes cognizance of Weights and Measures; but we think that there is an erroneous impression as to the extent of the action which it should take in the matter. The Department should procure standards to be kept in different parts of the Dominion, say for instance in each Inspection District. These should be accessible to the local authorities for comparison; but the inspection of weights and measures in the possession of individuals is a purely municipal, or at most a Provincial affair. No Dominion officer should be charged with this duty, and no expense on that account should be incurred.

There is a special examination for candidates for employment in the Collection of Inland Revenue, apart from the ordinary examination for admission into the Civil Service. It has been proposed to allow the Inspectors, who form the Examining Board, \$200 per annum each for superintending these examinations. We cannot see the necessity of this, as the usual Civil Service examinations are conducted by the Deputy Heads without any extra allowance.

THEORETICAL ORGANIZATION.

RANK.	SALARY.		
	Minimum.	Maximum.	Average.
	\$	\$	\$ cts.
Commissioner.....	2,600	2,600	2,600 00
Assistant Commissioner.....	2,000	2,400	2,200 00
1 1st Class Clerk, correspondence, &c.....	1,200	1,800	1,500 00
1 do book-keeper.....	1,200	1,800	1,500 00
3 Senior 2nd, Compilers.....	3,300	4,200	3,750 00
2 3rd or Junior 2nd.....	800	2,000	1,400 00
1 Messenger.....	300	500	400 00
Total Staff..... 10	11,400	15,300	13,350 00
Staff July 1..... 12	Present cost..... (a)		13,902 50

(a) This includes 1 at \$1,200, now on the staff at head quarters, but who is to be transferred to the outside service.

DEPARTMENT OF PUBLIC WORKS.

The effect of Confederation has been very much to enlarge the work of this Department. The correspondence, which was already very voluminous, now embraces in addition all matters having reference to the building of light-houses, the examination of harbours, and the superintendence of railways in Nova Scotia and New Brunswick. On the other hand, the maintenance of light-houses above Montreal and of the provincial steamers are now otherwise provided for. The system adopted for the registration of this large correspondence is very perfect, though somewhat costly in the amount of labour expended on it, but it is in our opinion well worth the cost, except in so far as a saving might be made by copying letters by the press.

In the Law Office a good system of the registration of deeds, &c., is established, and as many as 3,176 documents appear to have been recorded since 1869.

The work of the accountant's branch is conducted upon a very perfect though rather complicated system, which was introduced by the present Deputy, after conference with the Finance Department. From examples which were submitted it seems evident that, without some such system as that in use, it would be impossible for the Department to keep such a check over its numerous outlying services, as past experience has proved to be absolutely necessary. It appears doubtful whether the present two book-keepers (one fewer than there were in 1867) can keep the work from falling into arrear, and if this should prove to be the case, we consider it far preferable to add to the staff than to diminish the stringency of the present check.

We were unable to form an opinion as to the amount of work resulting from outside operations of the engineering branch, as it varies so materially, according to the season of the year and the nature of the works in progress. It may, however, be a question whether it might not be better to have a smaller standing staff of engineers permanently attached to the Department, and to employ from time to time, as occasion requires, such local engineers as may be found at points where works have to be carried on, and to dispense with their services, as soon as the special object for which they were engaged shall have been effected. Should this plan be adopted, the remuneration to outside engineers would necessarily be at a higher rate than now given to those who are classified as engineers on the permanent staff. These salaries, which it is not proposed materially to increase, are very low, considering the professional character of the services rendered; but it must be remembered that they are permanent appointments, and the pay is not contingent, as in the profession at large, upon their being able to obtain employment. Moreover, when no great work is in progress, the engineering staff is employed upon routine work which does not require any very high qualifications. The possibility of a change in our system in this respect appears to us to be worthy of the consideration of the Head of the Department. It must also be borne in mind that the services of an engineer will frequently be required in Nova Scotia and New Brunswick for minor works, as well as for the railways in those Provinces, and it would involve considerable delay and expense if one of the staff were sent from Head Quarters for such purposes. It would thus probably be advisable to have an engineer resident in the Maritime Provinces, available for the general work of the Department.

The collection of hydraulic rents is at present assigned to this Department. As this is the only case of revenues collected by it, it may be a question whether the duty should not be otherwise provided for; but in many cases at least the rents are due for waterpower immediately connected with works under the superintendence of the Department, and convenience may dictate the continuation of an arrangement otherwise anomalous.

We have included, in our theoretical organization, at the instance of the Deputy, one Clerk to whom there is nothing corresponding in the present staff, who would be charged with what may be called the engineering audit. When accounts come in they are examined in the book-keeping branch, and when they contain engineering details requiring special professional knowledge, they are handed over for report to one or other of the Engineering Staff. The prices of work and material, however, differ much in different sections of the country, and it is doubtful whether this branch of the auditing is always sufficiently attended to. If this work were the special occupation of one man, whose business it would be to make himself thoroughly acquainted with all the details likely to come before him, the Deputy is of opinion that it would be much more satisfactorily conducted. It is not only for auditing work actually done that he would be available, but all contracts, specifications and estimates

would be submitted to him for report before any action was decided upon. We think the principle is a sound one, and recommend the subject to the notice of the Head of the Department.

By the Act the Deputy to the Minister of Public Works seems to be intended to act as the Secretary of the Railway Board; but the late Secretary still continues to receive his salary, though not apparently connected with any Department. This point ought to be definitely decided.

THEORETICAL ORGANIZATION.

RANK.	SALARY.		
	Minimum.	Maximum.	Average.
	\$	\$	\$ cts.
Deputy Head.....	3,500	3,500	3,500 00
Secretary, Chief Clerk.....	2,000	2,400	2,200 00
2 Senior 2nd, correspondence.....	2,200	2,800	2,500 00
1 Junior 2nd, with allowance as Secretary.....	700	1,000	850 00
1 1st Class, Law matters.....	1,200	1,800	1,500 00
1 Junior 2nd, do	700	1,000	850 00
(a) 4 3rd or Junior 2nd, Journal and Records... ..	1,600	4,000	2,800 00
1 1st Class, Book-keeping.....	1,200	1,800	1,500 00
1 Senior 2nd, do	1,100	1,400	1,250 00
1 3rd or Junior 2nd, do	400	1,000	700 00
1 Senior 2nd, Paymaster.....	1,100	1,400	1,250 00
2 3rd or Junior 2nd, general service	800	2,000	1,400 00
Chief Engineer.....	3,240	3,240	3,240 00
Assistant do	2,400	2,400	2,400 00
2 do ranking as 1st Class Clerks.....	2,400	3,600	3,000 00
4 Senior 2nd, Engineers and Draughtsmen.....	4,400	5,600	5,000 00
2 3rd or Junior 2nd, do	800	2,000	1,400 00
1 Senior 2nd, Maps, Records and Draughtsmen.....	1,100	1,400	1,250 00
1 Collector of Hydraulic rents (not classed).....	800	800	800 00
1 1st Class, Engineering Audit	1,200	1,800	1,500 00
1 Office Keeper.....	500	500	500 00
2 Messengers.....	600	1,000	800 00
Total Staff..... 33	33,940	46,440	40,190 00
Staff July 1..... 30	Present cost		36,827 50

(a) One of these would probably be saved if the letters were copied by press.

POST OFFICE DEPARTMENT.

The business of this Department has largely increased during the last few years, independently of the accessions to it from Nova Scotia and New Brunswick, and in all probability a constant increase of the staff will be required in the future. In some respects, however, the Post Office is more favourably situated than most other Departments, as in them the pressure of work is very unequal, so that, unless the staff be kept up to a mark beyond what is sometimes necessary, at other times things would fall into arrear. In most branches of the Post Office the business comes in daily and has to be daily disposed of, and the necessary strength to meet it can be more easily estimated. There is this further advantage that, the

different branches having been once organized, the increasing work is mostly of a routine character, and the additions required will be principally those of junior clerks, so that the cost will not grow as rapidly as the number of the employés.

There will be an exception to this rule in one respect, for the number of Post Offices spread all over the country has increased so rapidly, as to have quite grown beyond the capacity of the old organization for inspection. The number of Inspectors has not been increased since 1854, whilst the number of Post Offices has more than doubled. A large portion of the Inspectors' duties, embracing as they do the supervision of mail contracts and mail service, affords them almost constant occupation at their head quarters, and they do not as a rule travel, unless there should be some special reason for inspecting particular offices. The old system of the Inspector keeping constantly moving and each Postmaster feeling that he was at any moment liable to a visit, has completely died out. We think that it should be revived, and the best way would be to have an Assistant Inspector in each district, who should receive a moderate salary, say \$800, with a liberal allowance for travelling, so as to make it his interest to spend most of his time in visiting the offices in his district. The increase of Money Order Offices, and the recent establishment of Savings Banks, have added to the necessity for this constant supervision. It would appear advisable also that there should be a Chief Inspector, whose head quarters would be at the seat of government. Besides having the supervision over all the inspection districts, he might have some special duties, as the superintendence of Railway Post Offices. He should rank as a Chief Clerk, with a somewhat higher salary than those of the local Inspectors. This subject, however, belongs more properly to the organization of the outside branches, and we have not included the Inspectors in the Departmental Staff.

There will also be some difficulty in bringing the business of Nova Scotia and New Brunswick into the general system, especially in connection with the Money Order and Savings Bank Branches, where, besides the slowness of the communications, there is the further complication of the difference in the currency. We shall speak more fully upon this branch of the subject in our report upon the outside services.

The Savings Banks, considering the very short time they have been in operation, have worked very satisfactorily: but we think that there is in one respect an error in the principle upon which, according to the Act, the accounts are to be kept. The 75th section provides that a certain percentage, which it is estimated should be paid, shall be charged as the interest upon that portion of the public debt, and that any difference between that and the actual cost in interest and charges shall be considered as the profit or loss arising out of the establishment. We think that this unnecessarily complicates the transaction by mixing up finance and statistics. The financial statement should not deal with assumptions, but simply with facts. The amount which is allowed to the depositors as interest, and the charges of managing the Savings Banks, are the cost at which the money is held, and this is all that ought to appear in the Public Accounts. How much these two amount to, and whether less or more than the theoretical 5 per cent., or than the interests and charges paid for other loans, is a matter of statistics, which may be commented upon in the Postmaster General's Annual Report.

At present the Postmasters in the small country offices in Ontario and Quebec are paid by a percentage upon their collections, a system which complicates the accounts, and occasions much correspondence in rectification of errors, and often misconception on the part of the Postmasters. We think that it would be better if all received a fixed allowance, based not merely upon the receipts, but upon the amount of labour and responsibility devolving upon each office.

The management of the Department is in every respect so satisfactory, and the work so methodically carried on, that we think it unnecessary to make any further remarks upon it, but proceed to furnish a theoretical organization, with the understanding that the main subdivisions remaining unaltered, some further modification may be necessary in bringing the business of the Maritime Provinces into the general system.

THEORETICAL ORGANIZATION.

RANK.	SALARY.		
	Minimum.	Maximum.	Average.
	\$	\$	\$
Deputy Postmaster General.....	2,600	2,600	2,600
Secretary, Chief Clerk.....	2,000	2,400	2,200
1 1st Class, Correspondence.....	1,200	1,800	1,500
1 do Establishment.....	1,200	1,800	1,500
1 do Dead Letters.....	1,200	1,800	1,500
1 do Stamps.....	1,200	1,800	1,500
3 Senior 2nd.....	3,300	4,200	3,750
(a) 10 3rd or Junior 2nd.....	4,000	10,000	7,000
Cashier, Chief Clerk.....	1,800	2,200	2,000
1 Senior 2nd, Assistant.....	1,100	1,400	1,250
Accountant, Chief Clerk.....	2,000	2,400	2,200
1 1st Class, Chief Examiner.....	1,200	1,800	1,500
1 do Compiler.....	1,200	1,800	1,500
3 Senior 2nd.....	3,300	4,200	3,750
11 3rd or Junior 2nd.....	4,400	11,000	7,700
Superintendent of Money Orders, Chief Clerk.....	2,000	2,400	2,200
1 1st Class, Assistant.....	1,200	1,800	1,500
1 Senior 2nd.....	1,100	1,400	1,250
7 3rd or Junior 2nd.....	2,800	7,000	4,900
Superintendent of Savings Banks, Chief Clerk.....	1,800	2,200	2,000
1 Senior 2nd.....	1,100	1,400	1,250
2 3rd or Junior 2nd.....	800	2,000	1,400
1 Office Keeper.....	500	500	500
3 Messengers.....	900	1,500	1,200
Total Staff..... 56	43,900	71,400	57,650
Staff July 1 56	Present cost.....		49,776

(a) One of whom may receive allowance as private Secretary.

DEPARTMENT OF AGRICULTURE.

Although this is the official name of the Department, its business consists almost entirely of the superintendence of Patents and Statistics. Such correspondence as there may be upon the subject of Agriculture, Immigration, Quarantine, &c., is managed by the Deputy.

The Patents, including under the same head the registration of trade marks, copyrights, &c., occupy at present five clerks exclusively, with two more principally employed upon that subject, and with occasional assistance in copying from the other branch, besides the repairer of models; in all eight persons. The total number of applications for patents during the past 12 months, has been 506, and of patents issued, 414. This would give an average of little more than one patent a week for each individual employed, and we should have thought that a smaller staff would have been sufficient, but we are assured by the Deputy that all are fully employed.

The clerks exclusively engaged in Statistics are four in number, besides three others

mainly occupied with that subject. The present plan of collecting statistics is based upon a report by the Deputy of the Department of Agriculture, soon after his acceptance of the office of Secretary of the Board under the old law. It is substantially as follows: To commence with the earliest accessible records of the country, for (to use his own words) "the idea of creating the statistics of a country cannot be logically conceived without the desire of going back to the remotest period of its history, for statistical science is above all a science of comparisons and proportions, and the longer the time and the larger the figures, more the accurate the inferential conclusions." Proceeding upon this principle, he recommended that the interval between the date of his report and the next decennial census should be devoted to the collection and periodical publication of a complete *résumé* of the statistics of the Province, from the discovery of the country to the year 1870, and thereafter that an annual volume should be published in a more extended form. The branches of statistics to be embraced in the general plan are thus enumerated:—territorial, vital, religious, educational, administrative, military, judicial, commercial, industrial and financial. The Board, at the only meeting ever held, January 18, 1865, agreed to the propositions contained in Dr. Taché's report, with the exception of the proposal to publish successive volumes of statistics, going back to the earliest period of the history of Canada, which was reserved for further consideration.

These retrospective statistics evidently occupy an almost unlimited field, and however interesting in themselves, except in a very few instances, they have no immediate bearing upon practical questions of the present time. It appears, moreover, that though much labour has been devoted to them very little progress has been made towards obtaining such a *résumé* for publication as that originally proposed by Dr. Taché. He, himself, is of opinion, that without a large increase to his staff, the publication of the results will be indefinitely delayed, and he expressed an opinion to us, that unless such an increase can be given to him, that branch of statistics had better be abandoned. We entirely concur in this opinion, and we think if such a work is to be undertaken, it would be more profitably done by a grant in aid of some individual or society, having a special interest in and adaptation for historical research, and not by a Department of Government.

Different opinions may be entertained as to the best way of collecting current statistics. We think that, whether it be done by a Department or by a Board in which several Departments are represented, a definite plan should be laid down by competent authority, and the results should be published in an annual volume. Proceeding upon this basis, at certain intervals, say at the period of the census, a re-examination of the facts collected should be made, such errors as had crept in, and had not been discovered till after publication, should be corrected, and a comparative abstract of the decennial period should be published, with the legitimate inferences from the whole. If this work is committed to a Department, there would still require to be concert with other Departments, which have the superintendence of particular subjects, and this was provided for in Dr. Taché's original report above referred to, and approved of by the Board of Statistics. But it has never been acted on, nor does the co-operation of others seem to have been needed, as no statistics other than those of the services under the charge of the Department itself have been published, excepting the annual Blue Book, which is a mere enumeration of persons in the employment of Government. Under these circumstances we feel at a loss to express any decided opinion as to the number of persons who should be employed in the statistical section of the Department. It will depend altogether upon the scope which Government determines upon giving to the subject. It appears to us, however, essential that there should be a complete revision of the subjects to be included in the general scheme, and that the statistics should be strictly limited to the points so selected, otherwise an indefinite extension of the field of enquiry, and consequently of the staff, will probably be the result.

The Department has charge of Quarantine, and if the Dominion were going to undertake any large scheme of Immigration, Quarantine would naturally belong to the same Department; but as this does not appear to be probable, as long as the Crown Lands, which would form the basis of any large measure of the kind, are in the hands of the several Provinces, we think that the subject is not in any way connected with the other duties of the Department. It seems more naturally to ally itself with the Department of Marine and Fisheries. One advantage which would result from such a redistribution of the business would be that the same officers, who act as agents for the latter Department at Halifax and St. John, could very well attend to Quarantine also; and thus save an additional officer, or perhaps more.

Assuming the duties of the Department to be mainly confined, as they are at present, to patents and statistics, each of the two branches would require a first class clerk at its head, one of whom might receive an additional allowance as Chief Clerk. In the patent branch we do not think that any higher rank than junior 2nd class need be given to any of the clerks found to be necessary. In the statistical branch there might be one senior 2nd or possibly two, but this, together with the number of juniors, would entirely depend upon the extent to be given to that branch, and to the nature of the subjects embraced in it. In the absence of any information upon this subject, we can only give the classification of such a staff as we think would be sufficient to manage the present business of patents, and the collection, tabulation and publication of such of the more important branches of current statistics as are now attainable, upon the supposition that each Department furnishes its own statistics in such a form as may be determined upon by some central authority. It must, however, be understood that if any general system for the collection of vital statistics throughout the Dominion is established, an enlargement of the staff would become necessary. In connection with this branch of statistics we find a gentleman included in the pay-list at a salary of \$1,200, who is only considered as temporarily attached to the Department for a special service. He is engaged in collecting the vital statistics of Lower Canada from the parish registers, and his salary covers his travelling and all other expenses. We think that the work could not in any other way be conducted so economically, especially as, besides the information he is now collecting, he places at the disposal of the Department the accumulation of several years of private research. We recommend that the present arrangement should be maintained, and we have included in our theoretical organization a temporary *attaché* at that amount.

We wish further to remark that it has been proposed to classify the house-keeper as a clerk in charge of Post Office, &c. The charge of letters, express parcels, &c., does not appear to differ from the duty of ordinary messengers, and we think the change would be injudicious. One of the clerks returned to us as an extra clerk is below the age at which any one can enter as a probationary clerk. As he has already been employed for nearly two years, it may not be right to remove him, but he ought, at any rate, to receive no more as an extra clerk, than he would be entitled to as a probationary clerk, if qualified by age, to be so appointed.

THEORETICAL CLASSIFICATION.

RANK.	SALARY.		
	Minimum.	Maximum.	Average.
	\$	\$	\$
Deputy of Minister.....	2,600	2,600	2,600
1 1st class clerk, Patents.....	1,200	1,800	1,500
1 do Statistics.....	1,200	1,800	1,500
Allowance to one as Chief Clerk.....	400	200	300
1 Senior 2nd, Correspondence, &c.,.....	1,100	1,400	1,250
1 do Statistics.....	1,100	1,400	1,250
1 Temporary <i>attaché</i>	1,200	1,200	1,200
3 3rd or Junior 2nd, Patents.....	1,200	3,000	2,100
1 do Statistics.....	400	1,000	700
4 do General.....	1,600	4,000	2,800
1 Office keeper.....	500	500	500
1 Repairer of models.....	450	450	450
2 Messengers.....	600	1,000	800
Total Staff..... 18	13,550	20,350	16,950
Staff, July 1..... 23	Present cost.....		19,310

DEPARTMENT OF MARINE AND FISHERIES.

Of the business under the superintendence of this Department, the Fisheries were formerly under the Crown Lands Department, and the Provincial Steamers and Light Houses above Montreal were under the Department of Public Works. There were besides in the late Province of Canada numerous services which were not exactly under any Department, as the Light Houses below Montreal (managed by the two Trinity Houses), Sick Mariners, Harbor Masters, Steamboat Inspectors and the River Police. There has also been a large accession of business from Harbours and Light Houses, Fisheries and Steamers in Nova Scotia and New Brunswick, and the provision for sick and disabled and distressed seamen has been enlarged. It appears also to be in contemplation to establish a system of granting certificates to masters of vessels and of enquiring into shipwrecks, which the great increase of the seafaring population from the Maritime Provinces may render necessary. These various services, though none of them perhaps individually important enough to require a Department to be responsible for them, involve in the aggregate an expenditure of upwards of \$400,000, and they employ such a very large number of outside officers, scattered over the whole country, that we think that it has become necessary to provide more fully that was formerly done for their supervision, and that the closer attention which can now be given to them will effect a saving fully equivalent to the expenses of the Department.

As all the arrangements are in their infancy, it is very possible that some further modifications of the staff may before long be necessary, but we think that the organization which we propose will place the Department on an efficient footing, and that if any additions are hereafter required, they will probably only be juniors, or supernumeraries transferred from other Departments.

Until a more rapid means of communication with the Maritime Provinces is established, it will be necessary to have local officers at Halifax and St. John, acting as agents for the Department. These should perhaps be included in the general staff, although they do not naturally fall into the general classification of the Civil Service, but we have refrained from so including them until we have reported on the services in the Lower Provinces.

THEORETICAL ORGANIZATION.

RANK.	SALARY.		
	Minimum.	Maximum.	Average.
	\$	\$	\$
Deputy of Minister	2,600	2,600	2,600
1 1st Class Clerk, Fisheries.....	1,200	1,800	1,500
1 do general business.....	1,200	1,800	1,500
1 do book-keeper.....	1,200	1,800	1,500
Allowance to one as Chief Clerk.....	400	200	300
1 senior 2nd.....	1,100	1,400	1,250
4 3rd or junior 2nd.....	1,600	4,000	2,800
2 Messengers.....	600	1,000	800
Total Staff..... 11	9,900	14,600	12,250
Staff, July 1..... 12	Present cost.....		11,630

In conclusion, we append a statement of the whole Civil Service, according to our Theoretical Organization, and a comparison with it as it stands at present.

	THEORETICAL.				ACTUAL.	
	Staff.	Min.	Max.	Average.	Staff.	Amount.
The Governor General's Office.....	8	\$8,205	\$9,705	\$8,955	9	\$10,075 00
Department of the Privy Council.....	10	9,100	12,000	10,550	12	12,753 33
Do Justice.....	7	5,600	8,400	7,000	7	7 165 83
Do Militia.....	15	11,900	18,100	15,000	15	15,480 00
Do the Secretary of State.....	23	20,740	29,840	25,290	25	25,968 10
Do the Secretary for the Provinces.....	4	4,500	5,900	5,200	6	8,140 00
Do the Receiver General.....	13	13,500	18,200	15,850	12	16,970 00
Do Finance.....	10	10,700	14,600	12,650	13	14,923 33
Do do Audit Office.....	14	16,300	22,100	19,200	14	18,797 50
Do Customs.....	22	18,800	28,000	23,400	18	19,577 50
Do Inland Revenue.....	10	11,400	15,300	13,350	12	13,902 50
Do Public Works.....	33	33,940	46,440	40,190	30	36,827 50
The Post Office Department.....	56	43,900	71,400	57,650	56	48,776 00
The Department of Agriculture.....	18	13,550	20,350	16,950	23	19,310 00
Do Marine and Fisheries.....	11	9,900	14,600	12,250	12	11,630 00
Total.....	245	232,035	334,935	283,485	264	280,296 59

All which is respectfully submitted.

JOHN LANGTON,
Chairman

CIVIL SERVICE COMMISSION.

THE COMMISSIONER OF CUSTOMS' GROUNDS OF DISSENT FROM PART OF THE FIRST REPORT.

The undersigned, overlooking the minor points upon which he has been unable to concur with his colleagues in their first Reports, begs leave to record his dissent from that part of the Report which has reference to the Customs Department.

The grounds upon which he dissents are:—

1. That the Report, whilst avowedly guarding against being supposed to cast any reflection upon the former management of the Department, throws an implied reflection upon its present administration, which the undersigned considers to be uncalled for, any imperfections and irregularities with respect to Returns that may have occurred in the attempt to blend and harmonize, under circumstances of considerable difficulty, two or three different modes of conducting the Departmental affairs, having been more or less the lot of all other Branches of the Public Service—though the task was no doubt found to be more difficult in the Customs Department, owing to the very nature and extent of its duties and its numerous outside branches.

2. The existing system of management in connection with the Returns transmitted from the various Ports, and the compilation of the commercial Statistics at the Head Office is defectively stated, and conveys a totally erroneous impression of the statistical labors of the Clerks engaged in the preparation of the Tables shewing the Trade and Navigation of the whole Dominion. To say simply that the monthly, quarterly and annual Returns received “are all added together in his (the Customs) Department, to shew the whole business of the country,” is giving a very inaccurate idea of the process of condensing the statistical facts collected at upwards of 180 Ports—to say nothing of the previous examination and verification of the Entries and Returns containing those statistical facts. And then as to the remark that *the arrangement of the business of the Ports under different heads of articles imported, free or dutiable, whence imported, &c., in short all the statistical information is prepared in the Ports themselves*, it is considered that it would have been more correct to say that the statistical facts and information in question were *collected*, not *prepared*, at the Ports themselves, and communicated in a prescribed tabulated form to the Head of the Department at Ottawa, where they were digested, and combined in the form in which they are submitted to Parliament. It would indeed be difficult to imagine from what other source than the Ports themselves such statistical facts and information could be drawn, and yet one would infer, from the tenor of the sentence from which we have quoted, that the Head Office was possessed of other means of getting at the facts and information in question independently of a reference to the Ports.

3. A third objection to the part of the Report from which the undersigned dissents is, that without what he considers adequate examination and enquiry, the Commission is made to convey an implied condemnation of a system of which they have but an imperfect knowledge, and to commend, though not without some reticency, the introduction in its stead of another system with the practical scope and working of which they are still less acquainted.

The Report says: “In England each Port sends copies of its Entries to London, and all statistical information is compiled there.” This is precisely what might be said of what takes place here—In Canada each Port sends copies of its Entries to Ottawa, and all statistical information is compiled there,

The compilation understood in both cases is the same, that is to say, in England the “Annual Statement of the Trade and Navigation of the United Kingdom,” and in Canada the “Tables of the Trade and Navigation of the Dominion of Canada.”

Down to the date of the Confederation of the Provinces, in 1867, the existing system, inaugurated in 1850, but improved and extended in such particulars as experience and the development of the Country called for, was found to combine all the requisites of accuracy,

despatch and economy in the preparation of the Returns of the Trade and Navigation of Canada, as laid annually before Parliament.

Three Statistical Clerks performed the work. The Tables, covering from 250 to 300 pages of letter press, 8vo, were always ready to be laid before Parliament simultaneously with the corresponding Returns from other Departments, and sometimes in advance of them, and the correctness and value of the compilation has never been questioned in any important particular.

A system which like the one under consideration, has the sanction of 18 years experience in this country, and which has the still higher sanction of such a country as France, should not, the undersigned apprehends, be supplanted by one which,—however it may suit the compact territorial circumstances of Great Britain and its administrative idiosyncrasies,—appears nevertheless to be so little adapted to the geographical elongation of the settled parts of this country—Halifax, one of our ports of Entry on the East, being some 1,600 miles distant from Sault St. Marie another of our ports of Entry on the West,

It should be moreover remarked that this English system which the Report commends as one of the most important changes that could be introduced into ours, originated as late as 1849, after the repeal of the Imperial Duties in Canada, and shortly before the passing of the General Order of the Lords of the Treasury (6th December, 1850) transferring the control and management of the Customs to the Government of the Province.

The Treasury Board Minute of 1849 is thus about coeval with the transfer referred to, and Mr. Dunscomb, the then incumbent of the office of Commissioner of Customs, must have been in possession of and familiar with the Minute in question since he introduced the system it prescribed. But this, it seems, was soon discontinued by the orders, it is believed, of Mr. Hincks, the then Minister of Finance (Inspector General)—and we have thus the evidence of a failure in the first attempt made to introduce into the Department the system of compiling the Commercial Statistics of the Country, in accordance with the rules laid down in England under the Treasury Order, which it is considered, should govern the action of the Department here.

The undersigned has not the presumption to say that the system which obtains in England since 1849, of compiling the Statistics of the Trade and Navigation of the United Kingdom from the Entries and other original Custom House Documents transmitted daily from each Port and Out-Port to London, is not one perfectly suitable to the situation and circumstances of England, with its net-work of Railways and Electric Telegraphs covering the land; but he certainly has the strongest conviction that such a system is wholly inapplicable to the circumstances of this Country, and that the existing mode of collecting the facts and information required for the compilation, at the Central Office, in Ottawa, of the Statistics of the Trade and Navigation of the Dominion of Canada, is in every way best calculated to accomplish that object with fidelity, accuracy and dispatch. Its extended sphere of action since the Union of the Provinces calls of course for corresponding extension of the Official Staff of the Department, and for some of those modifications and improvements which so naturally suggest themselves in adapting existing systems and institutions to larger operations. But this, it is believed, is all that is required to give to the present management of the Statistical branch of the duties of the Customs Department, all the efficiency which the Government of the Country can desire.

R. S. M. BOUCHETTE.

Ottawa, 11th January, 1869.

APPENDIX.

APPENDIX.

APPENDIX A.

Rules for the Classification of the existing Departmental Staff of the Civil Service under the Civil Service Act, and for determining the times at which they will be eligible for an increase of salary or for promotion.

(1.) These Rules are principally framed to meet the cases of men who were formerly classified under the old Civil Service Act in Canada, but the same principles will apply to a man formerly in the service of the other Provinces, upon the assumption that his rank should be in that class under the present Act, within the limits of which the salary he was enjoying fell, and that his standing in that class would count from the date when he first received that or any other salary falling within the limits of such class.

(2.) Any employé not formerly classified under the Civil Service Act, but belonging to any outside service, or any person formerly in the employment of Government or of the Legislature, whose services were dispensed with in consequence of the re-arrangement of duties since Confederation, may be introduced into the present Civil service at the salary he formerly enjoyed, if such salary falls within the limits of the class to which he is appointed, and the length of his service in his previous appointment will count in ascertaining his standing in his present class.

(3.) If such a person is appointed to duties assigned to a lower class than that within the limits of which his former salary fell, his salary will be at the maximum of his new class, and he will have the benefit of his former length of service in estimating his standing in his new class.

(4.) If he is appointed to a higher rank than that within the limits of which his former salary fell, it will be considered a new appointment, and his former service will not count towards his standing.

(5.) If his services have been dispensed with and he has received one or two years' gratuity, one or two years shall be deducted in consequence from his length of service.

(6.) Extra clerks, who have had 12 months' service up to July 1st, 1868, will be classed not higher than 3rd class unless they have had six years' service. Their standing in the class will count from their first appointment, and their salary will be such as they have hitherto received, or at such rate as the Government may determine.

(7.) Extra clerks who have had six years' service may in the discretion of the Head of the Department be appointed to the junior 2nd, and their standing in that class will count from such appointment.

(8.) Extra clerks who have not had 12 months' service to July 1st, 1868, will be considered as newly appointed, and if retained in the service after the completion of one year, they will be classed as 3rd class at the minimum salary, except in cases of special qualification as provided by section 31 of the Act.

(9.) New appointments made since June 30, 1867, at salaries higher than the minimum of the class in which the new clerk is placed should be confirmed by Order in Council.

(10.) Any clerk whether appointed before or after June 30, 1867, whose salary is beyond the rate to which he would have reached in his class by services under the Civil Service Act or by these rules, will remain at that salary until by length of service he would have become entitled to an increase.

(11.) If a clerk has had such service that during the past year he would have reached the salary he then enjoyed or a higher salary, during the current year he will be rated in his class at the step under the Civil Service Act next above the salary he then enjoyed.

(12.) As under the old Act a man had to serve two years as probationary clerk, and only one year under the present Act, in counting the length of service in the two junior classes, the service shall count as from his first entrance as probationary clerk.

(13.) If a 3rd class clerk appointed before June 30, 1867, was receiving June 30, 1868, a salary less than the minimum of the new junior 2nd class he will now be ranked as a 3rd class clerk, unless he has had six years service from entrance, when it will be in the discretion of the Head of the Department to promote him to the junior 2nd.

(14.) If his salary as 3rd class clerk was within the limits of the present junior 2nd class, it will be in the discretion of the Head of the Department to rank him in the latter class, if he has had six years service from his first appointment; if not, he will remain in his present rank and salary until he is eligible for promotion.

(15.) If a 3rd class clerk under the 14th rule should be ranked as junior 2nd class, his standing in that class will be such as it would have been if he had been promoted to it after the completion of six years service from his first entrance.

(16.) If a 2nd class clerk under the old law was, June 30, 1868, in receipt of a salary not exceeding the maximum of the present junior 2nd class, he will be ranked in that class, and his standing in it will not be less than it would have been if he had been placed in it after six years complete service from his first appointment.

(17.) If a 2nd class clerk was, June 30, 1868, in receipt of a salary beyond the limits of the present junior 2nd class, he will nevertheless be ranked as junior 2nd, unless his duties are such as in the theoretical organization of his department are assigned to the senior 2nd class, and he is appointed to the higher rank; but he shall not be so appointed unless or until he has had 5 years service in the old 2nd class, or 12 years service from his first appointment.

(18.) If a 2nd class clerk under the old classification is appointed to the senior 2nd, his standing as such will date from his appointment to the senior 2nd class, irrespective of his length of service in any of the lower grades.

(19.) All 1st class clerks under the old classification, who are not appointed to 1st class clerkships under the new law, shall have the honorary title of supernumerary 1st class clerks, but without any of the annual increases appertaining to that rank. If performing duties which in the theoretical classification are assigned to the senior 2nd class clerks, they will be entitled to the increases up to the limit of that class, their service in the old 1st counting as service in the present senior 2nd. If they are performing duties assigned to a lower grade than senior 2nd, they will receive no increase upon their present salary.

(20.) Under the old Civil Service Act there were certain officers, book-keepers and others, who were not classed, but received salaries as high as, or higher than, those of the first class. All these, unless classed as chief clerks, will for the purposes of the present rules be considered as having been 1st class clerks.

(21.) If a 1st class clerk under the old classification is appointed to a 1st class clerkship under the new law, his standing as such will count from his first appointment as 1st class clerk or equivalent rank under the old law.

(22.) If any clerk receiving a salary above the minimum of the new first class, but who is not at present appointed to a first class clerkship, should hereafter receive such an appointment, he will retain his existing salary, until by length of service, counting from such appointment, he would be entitled to an increase.

APPENDIX

CLASSIFICATION OF

Department.	Name.	Duties.	Age.	Years service. July 1st, 1868.
Governor's Secretary....	Denis Godley.....	Governor's Secretary....	44	Yrs. Mos 8
	H. Cotton.....	Chief Clerk.....	50	30 6
	G. Kidd.....	Clerk.....	47	10
	F. Burrowes.....	".....	24	6
	G. Boxall.....	Messenger.....	72	21
	G. Smith.....	do.....	49	7 3
	Lieut.-Col. Irvine.....	Aide-de-Camp.....	68	15
	Sergt. T. Lambkin.....	Quartry, at per diem allowance.....	38	
	" C. Stroulger.....	do do.....	35	
		9 persons.....		
Privy Council.....	W. H. Lee.....	Clerk to Privy Council.....	69	48
	W. A. Himsworth.....	Assistant do.....	48	27
	F. Valleraud.....	Clerk.....	75	36
	J. O. Côté.....	do Council Journal and Indexes.....	49	23
	F. H. Himsworth.....	do } Preparation of Orders in {	45	21
	H. Alexander.....	do } Council.....	32	12 2
	W. Horace Lee.....	do }	25	6 6
	P. St. Hill.....	Office Keeper.....	50	27
	M. Naughton.....	Door Keeper.....	48	27
	W. E. Morgan.....	Messenger.....	23	12
	J. Cairns.....	do.....	22	2 6
	P. Batterton.....	do.....	32	2
		12 persons.....		
Justice	H. Bernard.....	Deputy	43	10 5
	J. Stuart.....	Clerk.....	59	4 10
	C. Drinkwater.....	Clerk and Short-hand writer.....	26	4 3
	A. Atcheson.....	Clerk.....	28	1 8
	J. A. Macdonell.....	Do.....	18	1 7
	P. Lynch.....	Messenger.....	40	14
	F. Curran.....	Do.....	42	3 6
		7 persons.....		
Militia	Geo. Fatvoye.....	Deputy of Minister.....	59	24
	P. Chapleau.....	} General office work..... }	29	1 8
	H. D. J. Lane.....	Accountant.....	49	28 9
	R. Berry.....	Assistant Examiner of accounts.....	33	7 3
	H. O'Meara.....	do.....	28	3 6
	E. Gelinas.....	do.....	46	5 9
	D. M'Lennan.....	Preparation of Receipts and Vouchers...	26	1 3
	W. H. Aumond.....	Superintendent of stores.....	58	6
	Thos. Wily.....	Examiner of monthly returns.....	54	30 H.M's.
	George Grant.....	Keeps clothing accounts with officers and corps	52	16 9
	W. M. Steers.....	Now on outside service.....	33	1 10
	S. Pope.....	Messenger.....	28	3 6
	J. W. Gow.....	Do.....	3	7
	N. Casault.....	Store keeper.....		
	J. Yeomans.....			
		15 persons.....		
Secretary of State.....	E. Parent.....	Under Secretary.....	67	26
	W. H. Jones.....	Corresponding clerk.....	48	26 9
	J. M. Tétu.....	General business.....	28	5

B.

THE EXISTING STAFF.

Years service in present rank.	Present Rank under old Act.	Proposed Rank under new Act.	Date when 1st increase can com- mence.	Date when eligible for promotion.	Present Salary.	Proposed Salary this year, 1868-9.	What will be next year, 1869-70.
Yrs. Mos.					\$ cts.	\$ cts.	\$ cts.
8					3,000 00	2,400 00	2,400 00
26	1st class.	Chief clerk...	July 1868...		1,800 00	1,850 00	1,900 00
10	1st "	1st cl. Sup'y.	At max.		1,400 00	1,400 00	1,400 00
6	3rd "	Jr. 2nd	July 1869...	July 1873...	720 00	720 00	750 00
21			At max.		500 00		
7 3			July 1868...		450 00	480 00	500 00
15					1,840 00	1,840 00	1,840 00
					182 50	182 50	182 50
					182 50	182 50	182 50
					10,075 00	9,055 00	9,155 00
22	Deputy	Deputy			2,600 00	2,600 00	2,600 00
17	Chief clerk...	Chief clerk...	July 1868...		2,000 00	2,050 00	2,100 00
11	1st class.	1st cl. Sup'y.	At max.		1,400 00	1,400 00	1,400 00
11	"	1st class.	July 1868...		1,400 00	1,450 00	1,500 00
3	"	1st cl. Sup'y.	" 1868...		1,240 00	1,250 00	1,300 00
3	2nd class.	Jr. 2nd	" 1868...	Now...	940 00	950 00	1,000 00
3	3rd "	"	" 1869...	July 1873...	640 00	700 00	750 00
27			above max.		583 33	583 33	583 33
27			above max.		600 00	600 00	600 00
5 3			July 1869...		450 00	450 00	480 00
12 6			Jan. 1872...		450 00	450 00	450 00
2			July 1872...		450 00	450 00	450 00
					12,753 33	12,933 33	13,213 33
1	Deputy	Deputy			2,600 00	2,600 00	2,600 00
4 10	2nd class.	1st class.	July 1869...		1,000 00	1,200 00	1,250 00
4 3	"	Jr. 2nd class.	" 1870...	July 1869...	973 33	973 33	973 33
	Extra	3rd class.	above max.	Jan. 1873...	912 50	912 50	912 50
14	"	"	above max.	" 1873...	730 00	730 00	730 00
3 6			At max.		500 00	500 00	500 00
			Jan. 1871...		450 00	450 00	450 00
					7,165 83	7,365 83	7,415 83
1	Deputy	Deputy			2,600 00	2,600 00	2,600 00
8	2nd	Jr. 2nd	At max.	Jan. 1873...	1,000 00	1,000 00	1,000 00
	Extra	3rd class	above max.	" 1873...	730 00	730 00	730 00
	Chief.	Chief.	July 1868...		2,200 00	2,250 00	2,300 00
2	1st class.	1st cl. Sup'y.	" 1869...		1,200 00	1,200 00	1,250 00
3 6	"	"	" 1868...		1,200 00	1,250 00	1,300 00
2	3rd class.	3rd	above max.	Jan. 1869...	800 00	800 00	800 00
1 3	4th "	3rd class.	July 1871...	July 1873...	500 00	500 00	500 00
6	1st class.	1st "	" 1868...		1,400 00	1,450 00	1,500 00
1 10	2nd "	Jr. 2nd	At max.	Jan. 1872...	1,000 00	1,000 00	1,000 00
1 10	3rd "	"	July 1868...	Now...	800 00	850 00	900 00
1 10	3rd "	"	above max.	Jan. 1872...	800 00	800 00	800 00
12			July 1868...		450 00	480 00	500 00
1			Jan. 1869...		400 00	410 00	435 00
3 7					400 00	500 00	500 00
					15,480 00	15,820 00	16,115 00
26	Deputy	Deputy			2,840 00	2,840 00	2,840 00
10 4	1st class.	1st class.	July 1868...		1,400 00	1,450 00	1,500 00
4 6	"	1st cl. Sup'y.	" 1868...		1,280 00	1,300 00	1,350 00

APPENDIX

CLASSIFICATION OF

Department.	Name.	Duties.	Age.	Years service. July 1, 1868.
Sec'y of State.—Con.....	L. M. Amoureux.....	General business.....	58	6 1
	E. Brousseau.....	do	33	4 6
	E. J. Langevin	Deputy Registrar.....	35	.....
	J. A. Bélanger.....	Examining, indexing, &c., Registry Bch.	35	15
	Wm. Spragge.....	Deputy Superintendent Indian Affairs..	60	39
	C. T. Walcott.....	Book-keeper	47	9
	L. Vankoughnet.....	General business	30	7 2
	J. M. Lecourt.....	Draughtsman.....	43	6 2
	W. F. Coffin.....	Ordnance Lands Agent.....	59	37
	F. P. Austin.....	General business	38	11
	W. Mills.....	Book-keeper.....	43	10
	J. Forsyth.....	Land Bailiff.....	61	22
	L. A. Catellier.....	Copying and Engrossing	33	9 2
	H. J. Morgan.....	do	26	4
	J. V. DeBoucherville.....	do	38	3 1
	W. M. Goodeve.....	do	20	2 4
	S. J. Murray.....	Copying, Indian branch.....	69	34
	T. H. Hodgins.....	General work	23	1 4
	John Gow.....	Messenger.....	60	40
	J. N. Fradet.....	do	47	17
	F. X. Valiquette.....	do	23	6
	P. Logan.....	do	54	6
	25 persons.....		.....	.....
Secretary for the Pro- vinces.....	E. A. Meredith.....	Under Secretary.....	50	21
	G. Powell.....	Corresponding clerk.....	48	29
	H. E. Steele	In charge of Register and Records.....	48	27
	C. J. Birch.....	Copying	52	25
	N. Tetu.....	do	29	1 6
	C. Owen.....	Messenger.....	43	0 3
Receiver General.....	6 persons.....		.....	.....
	T. D. Harington.....	Deputy Receiver General.....	60	36
	G. C. Reiffenstein.....	Debenture Clerk and Chief Clerk.....	51	21
	T. C. Bramley.....	Book-keeper.....	56	10 3
	J. B. Staunton.....	Cash Receipts.....	56	26 3
	L. F. Dufresne.....	Dominion Stock.....	49	15 6
	J. F. Pellant.....	Warrants	43	18 6
	C. W. Shay.....	Assistant Debentures.....	49	21 9
	F. Lewis.....	Bank Accounts.....	52	10 6
	F. Hunter.....	Assistant Book-keeper.....	63	10 3
	J. B. H. Neeve	Stamps, Correspondence.....	33	5
	E. L. Casault.....	Office-keeper	36	15
	F. McCaffrey.....	Messenger.....	35	10
	12 persons .....		.....	.....
Finance Department....	Wm. Dickinson.....	Deputy Inspector General.....	57	26
	N. Godard.....	Book-keeper	51	23 1
	J. Drysdale.....	Book-keeper, duties transferred to Customs Department.....	59	25 6
	M. A. Higgins.....	Warrant Clerk.....	48	30 9
	A. Cary.....	Book-keeper, duties transferred to Excise Department.....	38	20 5
	F. G. Scott.....	Debenture, Book, &c.....	47	13 4
	C. J. Anderson	Appropriation Book.....	33	9 7
	R. W. Baxter.....	Assistant Book-keeper.....	31	10 4
	J. A. Torrance.....	do	49	2 3
	W. A. Blackmore.....	Short-hand Writer.....	25	3 1
	P. C. Ryan.....	Assistant Book-keeper, duties transferred to Customs.....	25	7 10
		

B.—Continued.

THE EXISTING STAFF.

Years service in present rank.		Present Rank under old Act.	Proposed Rank under new Act.	Date when 1st increase can com- mence.	Date when eligible for promotion.	Present Salary.	Proposed Salary this year, 1868-9.	What will be next year, 1869-70.
Yrs.	Mos.					\$ cts.	\$ cts.	\$ cts.
		Extra	Jr. 2nd.....	July 1873...	July 1873...	912 50	912 50	912 50
		"	3rd.....	above max...	Jan. 1870...	912 50	912 50	912 50
		Chief.....	Chief.....	July 1873...	.....	2,000 00	2,000 00	2,000 00
3		2nd class.....	Sr. 2nd.....	" 1869.....	.....	940 00	1,100 00	1,150 00
6		Chief.....	Chief.....	" 1868.....	.....	2,000 00	2,050 00	2,100 00
9		1st class.....	1st Cl. Sup'y.	At max.....	.....	1,400 00	1,400 00	1,400 00
3		2nd "	Jr. 2nd.....	July 1870...	July 1870...	940 00	940 00	940 00
6	2	3rd "	"	" 1870...	" 1873...	760 00	760 00	760 00
12		Chief.....	Chief.....	July, 1868...	.....	2,000 00	2,050 00	2,100 00
3		2nd class.....	Jr. 2nd.....	" 1868...	Now	940 00	950 00	1,000 00
3		"	"	" 1869...	July, 1869...	940 00	940 00	950 00
12		.....	.....	.....	.....	415 60	500 00	500 00
8	10	3rd class.....	Jr. 2nd.....	" 1868...	July, 1870...	800 00	850 00	900 00
		Extra	3rd class.....	Above max...	" 1870...	912 50	912 50	912 50
		"	"	"	" 1871...	730 00	730 00	730 00
		"	"	"	" 1872...	730 00	730 00	730 00
2	6	3rd.....	Jr. 2nd.....	July, 1868...	Now	750 00	800 00	850 00
		Extra	3rd.....	" 1871...	July, 1873...	500 00	500 00	500 00
40		.....	.....	At max.....	.....	500 00	500 00	500 00
17		.....	.....	.....	.....	500 00	500 00	500 00
6		.....	.....	July, 1868...	.....	365 00	390 00	420 00
6		.....	.....	At max.....	.....	500 00	500 00	500 00
						25,968 10	26,517 50	26,957 50
21		Deputy.....	Deputy.....	.....	.....	2,600 00	2,600 00	2,600 00
27		1st class.....	1st class.....	July, 1868...	.....	1,610 00	1,650 00	1,700 00
11		"	1st supy.....	At max.....	.....	1,400 00	1,400 00	1,400 00
11		" .....	" .....	" .....	.....	1,400 00	1,400 00	1,400 00
		Extra	3rd class.....	Above max...	Jan., 1873...	730 00	730 00	730 00
0	3	.....	.....	.....	.....	400 00	400 00	400 00
						8,140 00	8,180 00	8,230 00
10	6	Deputy.....	Deputy.....	.....	.....	2,600 00	2,600 00	2,600 00
3	6	Chief.....	1st class & ch.	At max.....	.....	2,000 00	2,000 00	2,000 00
10	3	1st class.....	1st class.....	July, 1868...	.....	1,600 00	1,650 00	1,700 00
11		"	1st Sup'y.....	Above max...	.....	1,600 00	1,600 00	1,600 00
11		"	"	At max.....	.....	1,400 00	1,400 00	1,400 00
11		"	"	Above max...	.....	1,500 00	1,500 00	1,500 00
11		"	"	At max.....	.....	1,400 00	1,400 00	1,400 00
3	6	"	1st class.....	Jan., 1874...	.....	1,600 00	1,600 00	1,600 00
3	6	"	1st Cl. Sup'y	" 1870...	.....	1,320 00	1,320 00	1,335 00
3	3	2nd class.....	Jr. 2nd.....	At max.....	July, 1870...	1,000 00	1,000 00	1,000 00
15		.....	.....	" .....	.....	500 00	500 00	500 00
10		.....	.....	July, 1868...	.....	450 00	480 00	500 00
						16,970 00	17,050 00	17,135 00
13		Deputy.....	Deputy.....	.....	.....	2,600 00	2,600 00	2,600 00
7		Chief.....	1st cl. & chf.	At max.....	.....	2,000 00	2,000 00	2,000 00
12	6	1st class.....	1st class.....	" .....	.....	1,800 00	1,800 00	1,800 00
14	1	"	1st Cl. Sup'y	Above max...	.....	1,600 00	1,600 00	1,600 00
7		"	1st class.....	July, 1870...	.....	1,600 00	1,600 00	1,600 00
13	4	"	1st Cl. Sup'y	At max.....	.....	1,400 00	1,400 00	1,400 00
7		"	1st class.....	July, 1868...	.....	1,400 00	1,450 00	1,500 00
2		"	1st Cl. Sup'y	" 1869...	.....	1,200 00	1,200 00	1,250 00
2	3	"	"	" 1869...	.....	1,200 00	1,200 00	1,250 00
3	1	.....	Jr. 2nd.....	" 1871...	July, 1870...	973 33	973 33	973 33
4		3rd class.....	"	" 1869...	" 1873...	680 00	700 00	750 00

APPENDIX

CLASSIFICATION OF

Department.	Name.	Name.	Age.	Years service. July 1, 1865.
Finance Dept.— <i>Con...</i>	H. A. Jones.....	Warrant Book	25	Yrs. Mos.
	G. Aumond.....	Assistant Warrant Clerk	22	3 6
	R. L. Killaly.....	General work	21	1 10
	David Ryan.....	Office-keeper	60	11
	John Pender.....	Messenger	41	26 9 9
		16 persons.....		
Audit	John Langton	Auditor	60	12 8
	John Simpson	Assistant Auditor	60	3 10
	Thomas Ross.....	Accountant of contingencies.....	46	28 7
	Thomas D. Tims.....	Inspector.....	43	9 9
	Thomas Cruse.....	Book-keeper	64	12 5
	Arthur Harvey.....	Insurance and Statistics	34	6 3
	J. Patterson.....	Appropriation Book	37	12 6
	E. C. Barber	Auditing	36	12 6
	G. M. Jarvis	Assistant Book-keeper.....	45	6 2
	J. R. Hall.....	General work.....	21	3
	W. H. Cotton.....	Br. Am. Bank Note Co. and general.....	21	1 8
	J. B. Simpson.....	Auditing	26	1 7
	W. R. Armstrong	Assistant Book-keeper	54	6
	John Pender.....	Messenger.....	37	9 6
		14 persons.....		
Customs	R. S. M. Bouchette.....	Commissioner.....	63	22
	J. Johnson.....	Assistant Commissioner.....	51	12
	J. W. Peachy.....	Correspondence	41	13 4
	J. R. Audy.....	Registration and Blank Forms	48	19 2
	H. H. Duffill	Canal matters.....	73	25
	G. A. Mailleue	Checks entries of larger Ports	49	24
	P. E. Sheppard.....	Checks entries	33	12 10
	H. C. Hay	Checks quarterly Returns	36	12 3
	W. A. Bell.....	Checks monthly Returns.....	27	8 8
	*C. P. Bliss.....	Acting as Private Secretary	44	10
	J. A. Wolff.....	Assistant to Mr. Bell.....	27	2 3
	H. A. Vradenburg	do do	43	5
	R. H. Mackay.....	.....	31	7
	G. W. Grant	Junior Clerk.....	18	3
	Sohn Walls	Messenger.....	37	12
	P. Conolly	do	23	8
		18 persons.....		
Inland Revenue.....	Thos. Worthington.....	Commissioner.....	64	25
	A. Brunel	Assistant Commissioner and Inspector...	50	5 10
	Lucius J. O'Brien.....	Registration Bonds and Licences.....	71	12
	James F. Brown	Statistical Clerk, Tobacco, &c	40	3 9
	R. Nettle	Cullers, Booms and Slides Returns.....	52	11 4
	Alex. Begg	Stamps, Labels and Forms	43	10 4
	R. Borrodaile	Correspondence	38	5
	W. Humsforth	Statistical Clerk, Malt	21	
	F. Measam.....	do Liquor Returns.....	38	2 2
	†R. B. Somerville.....	Supernumerary	55	
	John Fowler	Messenger	28	2 2
		19 persons.....		

* Mr. Bliss also receives \$300 as Private Secretary.

† It is understood that Mr. Somerville is only temporarily attached to the Department and is to be

B.—Continued.

THE EXISTING STAFF.

Years service in present rank.	Present		Date when 1st increase can com- mence.	Date when eligible for promotion.	Present Salary.	Proposed Salary this year, 1868-9.	What will be next year, 1869-70.
	Rank under old Act.	Rank under new Act.					
Yrs. Mos.					\$ cts.	\$ cts.	\$ cts.
2	3rd class.....	3rd class.....	Jan., 1871...	Jan., 1871...	600 00	600 00	600 00
1 10	4th class.....	"	" 1871...	" 1873...	500 00	500 00	500 00
0 11	"	"	" 1872...	" 1874...	500 00	500 00	500 00
15 6	"	"	At max.....	"	500 00	500 00	500 00
9 9	"	"	July, 1868...	"	450 00	480 00	500 00
					19,003 33	19,103 33	19,323 33
12 8	Deputy.....	Deputy.....	"	"	2,600 00	2,600 00	2,600 00
3 6	Chief.....	Chief.....	At max.....	"	2,400 00	2,400 00	2,400 00
10	"	"	July, 1868...	"	2,000 00	2,050 00	2,100 00
9 5	1st class.....	"	At max.....	"	1,600 00	2,000 00	2,000 00
12 5	"	1st class.....	July, 1868...	"	1,600 00	1,650 00	1,700 00
6 3	"	"	" 1868...	"	1,360 00	1,400 00	1,450 00
3	"	"	" 1868...	"	1,240 00	1,250 00	1,300 00
3	"	1st Cl. Sup'y.	" 1868...	"	1,240 00	1,250 00	1,300 00
2	"	1st class.....	" 1869...	"	1,200 00	1,200 00	1,250 00
2	3rd class.....	3rd class.....	July, 1871...	July, 1871...	600 00	600 00	600 00
1 8	4th "	"	Jan., 1871...	Jan., 1873...	500 00	500 00	500 00
	Extra.....	"	above max.....	"	730 00	730 00	730 00
	"	Sr. 2nd.....	July, 1869...	"	1,277 50	1,100 00	1,150 00
3 6	"	Jan., 1871...	"	"	450 00	450 00	450 00
					18,797 50	19,180 00	19,530 00
17 3	Deputy.....	Deputy.....	"	"	2,600 00	2,600 00	2,600 00
8	Chief.....	Chief.....	Jan., 1869...	"	2,000 00	2,025 00	2,075 00
12 9	1st class.....	1st class.....	July, 1868...	"	1,600 00	1,650 00	1,700 00
11	"	1st Cl. Sup'y.	At max.....	"	1,400 00	1,400 00	1,400 00
11	"	"	"	"	1,400 00	1,400 00	1,400 00
4	"	"	July, 1869...	"	1,320 00	1,320 00	1,350 00
2	"	"	" 1869...	"	1,240 00	1,240 00	1,250 00
3	2nd class.....	Jr. 2nd.....	" 1868...	Now.....	940 00	950 00	1,000 00
2 3	"	"	At max.....	Jan., 1871...	1,000 00	1,000 00	1,000 00
10	"	"	Jan., 1873...	" 1873...	900 00	900 00	900 00
2	4th class.....	3rd class.....	July, 1870...	July, 1872...	500 00	500 00	500 00
5	3rd class.....	"	" 1874...	" 1874...	600 00	600 00	600 00
	Extra.....	"	Jan., 1872...	Jan., 1874...	547 50	547 50	547 50
3	Probationary	Probationary	July, 1872...	July, 1874...	300 00	500 00	500 00
12	"	"	July, 1868...	"	450 00	480 00	500 00
8	"	"	Jan., 1868...	"	300 00	315 00	345 00
					17,097 50	17,427 50	17,667 50
1	Deputy.....	Deputy.....	"	"	2,600 00	2,600 00	2,600 00
1	Chief.....	Chief.....	"	"	2,000 00	2,050 00	2,100 00
11	1st class.....	1st class.....	July, 1868...	"	1,400 00	1,450 00	1,500 00
3 9	2nd "	Jr. 2nd.....	Jan., 1870...	Jan., 1870...	940 00	940 00	945 00
	Extra.....	"	July, 1869...	July, 1869...	912 50	930 00	1,000 00
5	3rd class.....	"	" 1868...	" 1869...	800 00	850 00	900 00
5	"	"	" 1869...	" 1873...	700 00	700 00	750 00
	4th class.....	Probationary	" 1872...	" 1874...	500 00	500 00	500 00
2 2	3rd "	Jr. 2nd.....	" 1869...	" 1871...	800 00	800 00	850 00
			July, 1872...	"	1,200 00	1,200 00	1,200 00
					450 00	450 00	450 00
					12,302 50	12,520 00	12,795 00

placed in the outside service.

APPENDIX

CLASSIFICATION OF

Department.	Name.	Duties.	Age.	Years service. July 1, 1868.
Public Works.....	T. Trudeau.....	Deputy.....	42	Yrs Mos. 8 7
	F. Braun.....	Secretary.....	42	13 9
	J. B. Howard.....	Private Secretary.....	22	1
	J. B. French.....	Correspondence.....	58	4 2
	J. W. Harper.....	Clerk and Paymaster.....	45	15 9
	F. H. Ennis.....	Registrar.....	31	4 2
	G. Verret.....	Diarist.....	37	6 11
	J. R. Arnoldi.....	Copyist.....	30	8 7
	T. F. N. Bonneville.....	Custodian.....	38	12
	O. Dionne.....	Clerk.....	33	4 3
	H. A. Fissiault.....	Law Clerk.....	40	8 1
	C. Pope.....	Copying Clerk.....	34	6 11
	J. Baine.....	Book-keeper.....	46	11 6
	F. Hamel.....	Assist. do.....	47	12 2
	John Page.....	Chief Engineer.....	50	25 8
	F. P. Rubidge.....	Assistant.....	63	26 7
	G. F. Baillargé.....	Engineer.....	44	23 10
	T. Monro.....	do.....	37	8 5
	J. H. Rowan.....	do.....	38	8 2
	J. Guerin.....	do.....	50	3 10
	E. H. Parent.....	do.....	33	3 10
	C. McCarthy.....	do.....	50	11 10
	J. LeB. Ross.....	do.....	33	11 7
	C. E. Michaud.....	Draughtsman.....	34	3 8
	S. McLaughlin.....	Clerk and Photographer.....	43	7
	M. Battle.....	Collector of Hydraulic Rents.....	40	6 8
	P. Owens.....	Housekeeper.....	42	17 9
	M. Walsh.....	Messenger.....	59	23 9
	H. Potvin.....	do.....	33	6 9
	J. Deslauriers.....	do.....	42	7 9
	30 persons.....			
Port Office.....	W. H. Griffin.....	Deputy P. M. G.....	56	38
	W. White.....	Secretary, &c.....	39	13 7
	W. D. LeSueur.....	Correspondence, appointments and establishing new Post Offices.....	29	11 5
	G. H. Hargrave.....	Mail Contracts, &c.....	42	11 1
	J. Plunkett.....	Missing Letters, &c.....	32	7 5
	W. S. Thomas.....	Correspondence and acts as Priv. Sec'y.....	24	3 1
	O. Fréchette.....	Mail Tenders and Fr. Correspondence.....	39	6 5
	T. Cross.....	Postmasters' Bonds.....	32	2 2
	A. Lindsay.....	Custody and issue of forms.....	29	4
	E. Clarke.....	Copying Clerk.....	19	1 3
	W. A. Maingy.....	do.....	61	26
	E. Fletcher.....	do.....	18	1
	Brinsley King.....	In charge of dead letters.....	30	11 9
	G. O'Donohue.....	Assistant do.....	24	3 5
	M. K. Dunlevie.....	do.....	20	5
	H. E. A. Wetherly.....	In charge of Stamps.....	36	14 7
	A. Boswell.....	Assistant.....	19	1 1
	C. Roger.....	Book-keeper of Bill Stamps.....	50	3
	John Ashworth.....	Cashier.....	45	24 8
	John Boyd.....	Advice Clerk.....	68	12 3
	R. Sinclair.....	Book-keeper, Ocean Mail Service.....	37	0 2
	H. A. Wickstead.....	Accountant.....	56	23 7
	E. C. Hayden.....	Chief examiner of accounts.....	48	23 11
	W. H. Smithson.....	Chief Compiler.....	35	8 2
	R. Oliver.....	British Packet Accounts.....	58	14 4
	J. F. McCuaig.....	Monthly sheets examiner.....	46	21 8
	J. Audette.....	do and charge of blank forms.....	49	14 1

B.—Continued.

THE EXISTING STAFF.

Years service in present rank	Present Rank under old Act.	Proposed Rank under new Act.	Date when 1st increase can com- mence.	Date when eligible for promotion.	Present Salary.	Proposed Salary this year, 1868-9.	What will be next year, 1868-69.
Yrs.Mos.					\$ cts.	\$ cts.	\$ cts.
4 4	Deputy.....	Deputy.....	.....	.....	3,500 00	3,500 00	3,500 00
4 4	1st class.....	Chief.....	.....	.....	1,800 00	2,000 00	2,050 00
.....	Extra.....	Jr. 2nd.....	July, 1869...	July, 1873...	730 00	700 00	750 00
.....	2nd class.....	".....	" 1873...	" 1873...	900 00	900 00	900 00
11 2	1st ".....	1st cl. Sup'y.	above max...	.....	1,530 00	1,530 00	1,530 00
4 2	2nd ".....	Jr. 2nd.....	At max.....	July, 1869...	1,000 00	1,000 00	1,000 00
.....	Extra.....	".....	July, 1869...	" 1873...	730 00	730 00	750 00
8 7	3rd class.....	".....	Jan., 1869...	Jan., 1871...	800 00	825 00	875 00
8 7	2nd ".....	".....	above max...	Now.....	1,100 00	1,100 00	1,100 00
.....	Extra.....	3rd.....	above max...	July, 1870...	730 00	730 00	730 00
6	1st class.....	1st class.....	July, 1868...	.....	1,400 00	1,450 00	1,500 00
.....	Extra.....	Jr. 2nd.....	" 1868...	July, 1873...	730 00	730 00	750 00
11 6	1st class.....	1st class.....	" 1868...	.....	1,610 00	1,650 00	1,700 00
12 2	".....	1st cl. Sup'y.	At max.....	.....	1,400 00	1,400 00	1,400 00
14 9	.....	1st cl. Sup'y.	At max.....	.....	3,240 00	3,240 00	3,240 00
11 9	.....	.....	.....	.....	2,400 00	2,400 00	2,400 00
2	1st class.....	1st class.....	At max.....	.....	1,800 00	1,800 00	1,800 00
2	".....	".....	July, 1876...	.....	1,680 00	1,680 00	1,680 00
4 4	".....	1st cl. Sup'y.	Jan., 1869...	.....	1,280 00	1,300 00	1,350 00
3 10	2nd class.....	Jr. 2nd.....	Jan., 1870...	Jan., 1870...	900 00	900 00	925 00
.....	Extra.....	3rd.....	above max...	" 1871...	912 50	912 50	912 50
11 10	2nd class.....	Sr. 2nd.....	July, 1869...	.....	1,095 00	1,100 00	1,150 00
7	".....	".....	" 1869...	.....	1,100 00	1,100 00	1,150 00
3 8	".....	Jr. 2nd.....	Jan., 1870...	Jan., 1870...	900 00	900 00	925 00
7	".....	".....	above max...	Now.....	1,060 00	1,060 00	1,060 00
6 8	.....	.....	.....	.....	650 00	800 00	800 00
12 9	.....	.....	At max.....	.....	500 00	500 00	500 00
9 9	.....	.....	July, 1868...	.....	450 00	480 00	500 00
6 9	.....	.....	" 1868...	.....	450 00	480 00	500 00
1 9	.....	.....	" 1868...	.....	450 00	480 00	500 00
.....	.....	.....	.....	.....	36,827 50	37,377 50	37,927 50
17	Deputy.....	Deputy.....	.....	.....	2,600 00	2,600 00	2,600 00
7 5	Secretary.....	Chief.....	July, 1869...	.....	1,800 00	2,000 00	2,050 00
3 6	2nd class.....	1st class.....	July, 1869...	.....	980 00	1,200 00	1,250 00
1 7	2nd ".....	Jr. 2nd class.	" 1868...	Now.....	900 00	950 00	1,000 00
2	3rd ".....	".....	" 1869...	July, 1872...	760 00	760 00	800 00
3 1	2nd ".....	".....	above max...	" 1870...	1,020 00	1,020 00	1,020 00
3 6	3rd ".....	".....	July, 1869...	" 1873...	680 00	700 00	750 00
2 2	4th ".....	3rd class.....	" 1870...	" 1872...	500 00	500 00	500 00
1 11	4th ".....	".....	" 1868...	" 1870...	500 00	550 00	600 00
1 3	4th ".....	".....	" 1871...	" 1873...	500 00	500 00	500 00
1	Extra.....	".....	At max.....	Now.....	480 00	650 00	650 00
1	".....	".....	July, 1869...	July, 1873...	480 00	400 00	450 00
3	2nd class.....	Senr. 2nd.....	" 1869...	.....	940 00	1,100 00	1,150 00
3 5	4th ".....	3rd class.....	" 1869...	July, 1871...	500 00	500 00	550 00
5	4th ".....	".....	" 1872...	" 1874...	500 00	500 00	500 00
11	1st class.....	1st class.....	" 1868...	.....	1,400 00	1,450 00	1,500 00
1 1	4th ".....	3rd ".....	" 1871...	July, 1873...	500 00	500 00	500 00
5	3rd class.....	3rd class.....	above max...	July, 1871...	800 00	800 00	800 00
14	1st ".....	Chief.....	July, 1869...	.....	1,600 00	1,800 00	1,850 00
3 6	2nd ".....	Jnr. 2nd.....	" 1868...	Now.....	980 00	1,000 00	1,000 00
7 5	2nd ".....	Snr. ".....	" 1869...	.....	1,000 00	1,100 00	1,150 00
11	Chief.....	Chief.....	" 1868...	.....	2,000 00	2,050 00	2,100 00
11	1st class.....	1st class.....	" 1868...	.....	1,400 00	1,450 00	1,500 00
.....	".....	".....	" 1869...	.....	1,200 00	1,200 00	1,250 00
11	".....	1st cl. Sup'y.	at max.....	.....	1,400 00	1,400 00	1,400 00
11	".....	".....	July, 1868...	.....	1,320 00	1,350 00	1,400 00
3 6	".....	".....	Jan., 1869...	.....	1,280 00	1,290 00	1,325 00

APPENDIX

CLASSIFICATION OF

Department.....	Name.	Duties.	Age.	Years service, July 1, 1868.
				Yrs. Mos.
Post Office— <i>Con.</i>	E. H. Benjamin.....	Examiner of accounts.....	36	11 6
	H. J. Garrett.....	Journals and bank accounts.....	33	10 7
	H. W. Griffin.....	Examiner monthly sheets.....	28	8 3
	P. E. Bucke.....	Assistant Compiler.....	39	12 6
	J. McNab.....	Examiner monthly sheets.....	38	7 3
	J. C. Patterson.....	Assistant Compiler.....	30	4 10
	G. M. Patrick.....	do Examiner.....	35	5
	J. Walsh.....	do Compiler.....	25	6 4
	R. Oliver.....	General duties.....	18	9
	D. McCarthy.....	do.....	23	1
	*H. S. Hopkirk.....	do.....	17	1
	P. Lesneur.....	Superintendent.....	54	14 1
	C. W. Jenkins.....	Principal Clerk.....	53	7
	J. Brophy.....	Ledger keeper.....	44	14 9
	W. Berry.....	Money orders, Britain, &c.....	26	7 5
	E. G. Bennett.....	Ledger keeper.....	33	10
	J. W. McDougall.....	General Ledger keeper, &c.....	27	3 2
	R. J. Shaw.....	Ledger keeper.....	48	2 2
	C. J. Higgins.....	Copying Clerk.....	35	1
	L. Blanchet.....	Bank accounts and forms.....	30	5
	C. Sangster.....	Ledger keeper.....	46	3
	C. J. Stewart.....	Superintendent.....	29	13 5
	D. Matheson.....	Examiner daily accounts, &c.....	27	4 7
	C. L. Thomson.....	Ledger keeper.....	28	3
	S. Burnham.....	General duties.....	29	3
	Wm. Rance.....	Office-keeper.....	46	2
	John Yorick.....	Messenger.....	21	9 2
	Wm. O'Brien.....	do.....	24	6 2
	M. Bennett.....	do.....	48	7 6
	56 persons.....			
Agriculture & Statistics.	J. C. Taché.....	Deputy Head.....	48	8 7
	A. J. Cambie.....	Patent Clerk and Paymaster.....	33	11
	S. S. Finden.....	Correspondence.....	58	23
	C. C. Neville.....	Statistical Clerk.....	50	8
	S. Drapeau.....	do.....	48	8 6
	W. H. Johnson.....	do.....	62	10 5
	S. Ferland.....	Trade-marks, Copyrights and Archivist..	31	6
	N. Boissonault.....	Curator of Patent Models.....	50	6
	H. Casgrain.....	Assistant Patent Clerk.....	26	6 10
	J. O'Brien.....	Blue-book and Translator.....	27	5 5
	E. Tétu.....	Clerk.....	30	3 5
	B. Routier.....	do.....	24	6
	J. E. D'Auteuil.....	do.....	25	3
	D. Lanigan.....	do.....	48	1 8
	J. B. Jackson.....	do.....	22	1 8
	J. F. Dionne.....	do.....	33	3
	Rev. C. Tanguay.....	Attached on Special Service.....		
	*W. J. Lynch.....	Copying Clerk.....	16	1 11
	J. E. Lemieux.....	Housekeeper.....	38	5 3
	A. Fréchette.....	Tradesman (Models).....	36	4
	J. Boily.....	Messenger.....	52	6 3
	B. Moreau.....	do.....	50	5 3
	J. B. Lacroix.....	do.....	60	5
	23 persons.....			

* Below the age for appointment.

† Upon the supposition that he is allowed \$400 as Chief Clerk; he receives now \$200 from contingencies.

B.—Continued.

THE EXISTING STAFF.

Years service in present rank.		Present Rank under old Act.	Proposed Rank under new Act.	Date when 1st increase can com- mence.	Date when eligible for promotion.	Present Salary.	Proposed Salary this year, 1868-9.	What will be next year, 1869-70.
Yrs.	Mos.					\$ cts.	\$ cts.	\$ cts.
3	6	2nd class.....	Jnr. 2nd.....	Jan., 1869...	Now.....	980 00	990 00	1,000 00
1	7	".....	".....	" 1869...	Jan., 1869...	900 00	925 00	975 00
6	3	3rd class.....	".....	July, 1868...	July, 1871...	760 00	800 00	850 00
2		".....	".....	" 1868...	Now.....	800 00	850 00	900 00
3	6	".....	".....	" 1869...	July, 1873...	680 00	700 00	750 00
2		".....	3rd class.....	Jan., 1870...	Jan., 1870...	600 00	600 00	625 00
5		4th class.....	".....	July, 1872...	July, 1874...	500 00	500 00	500 00
4		".....	".....	" 1868...	Now.....	500 00	600 00	650 00
1		".....	".....	Jan., 1872...	Jan., 1874...	500 00	500 00	500 00
1		Extra.....	".....	July, 1869...	July, 1873...	480 00	400 00	450 00
1		".....	".....	" 1869...	" 1873...	480 00	400 00	450 00
14	1	Chief.....	Chief.....	" 1868...	.....	2,200 00	2,250 00	2,300 00
7	7	1st class.....	1st class.....	Jan., 1869...	.....	1,200 00	1,225 00	1,275 00
7	5	2nd ".....	Sr. 2nd.....	" 1869...	.....	1,100 00	1,100 00	1,150 00
3	6	3rd ".....	Jr. 2nd.....	July, 1869...	July, 1873...	680 00	700 00	750 00
8		3rd ".....	".....	" 1868...	" 1869...	800 00	850 00	900 00
3	2	4th ".....	3rd class.....	" 1869...	" 1871...	500 00	500 00	550 00
2	2	4th ".....	".....	" 1870...	" 1872...	500 00	500 00	500 00
1		4th ".....	".....	" 1871...	" 1873...	500 00	500 00	500 00
5		4th ".....	".....	" 1872...	" 1874...	500 00	500 00	500 00
3		4th ".....	".....	" 1872...	" 1874...	500 00	500 00	500 00
6	11	1st class.....	1st class.....	" 1868...	.....	1,400 00	1,450 00	1,500 00
5		2nd ".....	Jr. 2nd.....	" 1873...	July, 1873...	900 00	900 00	900 00
3		3rd class.....	3rd class.....	July, 1874...	July, 1874...	600 00	600 00	600 00
3		4th ".....	".....	" 1872...	" 1874...	500 00	500 00	500 00
.....		.....	.....	At max.....	.....	500 00	500 00	500 00
.....		.....	.....	July, 1868...	.....	416 00	420 00	450 00
.....		.....	.....	" 1868...	.....	416 00	420 00	450 00
.....		.....	.....	" 1868...	.....	364 00	390 00	420 00
.....		.....	.....	.....	.....	48,776 00	50,390 00	52,040 00
3	11	Deputy.....	Deputy.....	.....	.....	2,600 00	2,600 00	2,600 00
3	3	1st class.....	1st & Chief..	July, 1868...	.....	† 1,440 00	1,650 00	1,700 00
4	6	2nd class.....	Sr. 2nd.....	July, 1869	Now.....	1,020 00	1,100 00	1,150 00
4	6	".....	Jr. ".....	Above max...	Jan., 1869...	1,020 00	1,020 00	1,020 00
3	3	".....	".....	At max.....	July, 1870...	1,000 00	1,000 00	1,000 00
3	3	".....	".....	".....	" 1869...	1,000 00	1,000 00	1,000 00
2		".....	".....	July, 1871...	" 1871...	900 00	900 00	900 00
2		3rd class.....	3rd.....	Above max...	Now.....	730 00	730 00	730 00
4	6	".....	Jr. 2nd.....	Jan., 1869...	Jan., 1873...	720 00	735 00	775 00
4	6	".....	3rd.....	Above max...	July, 1869...	720 00	720 00	720 00
.....		Extra.....	".....	Above max...	July, 1871...	730 00	730 00	730 00
.....		".....	".....	".....	Now.....	730 00	730 00	730 00
.....		".....	".....	".....	July, 1871...	730 00	730 00	730 00
.....		".....	".....	".....	Jan., 1873...	730 00	730 00	730 00
.....		".....	".....	".....	" 1873...	730 00	730 00	730 00
.....		".....	".....	".....	July, 1874...	730 00	730 00	730 00
.....		.....	.....	.....	.....	1,200 00	1,200 00	1,200 00
.....		.....	.....	" 1870...	.....	365 00	365 00	365 00
5	3	.....	.....	At max.....	.....	500 00	500 00	500 00
4		.....	.....	July, 1871...	.....	450 00	450 00	450 00
6	3	.....	.....	" 1868...	.....	450 00	480 00	500 00
5	3	.....	.....	" 1869...	.....	450 00	450 00	480 00
2	9	.....	.....	" 1868...	.....	365 00	390 00	420 00
.....		.....	.....	.....	.....	19,310 00	19,670 00	19,890 00

APPENDIX

CLASSIFICATION OF

Department.	Name.	Duties.	Age.	Years service. July 1, 1868.
Marine and Fisheries...	William Smith	Deputy Head.....	47	28
	*W. F. Whitchee	Fisheries business.....	40	20 8
	John Hardie	Correspondence and Registers.....	34	12 9
	John Tilton.....	Accountant.....	31	
	S. P. Bauset	Clerk Fisheries Branch & Draughtsman..	34	14
	J. S. Thomson	Clerk	48	4 9
	W. H. Alexander.....	"	21	8
	James Daley	"	18	1
	J. R. Tucker.....	"	19	8
	‡Ellen Jessop	Housekeeper	48	10
	Geo. Fisher.....	Messenger	60	23
	Thomas Wheeler.....	"	43	8
12 persons				

* His first increase as 1st Class Clerk would only commence July, 1870.

‡ It is not proposed hereafter to employ female house-keepers.

APPENDIX B.—*Concluded.*

AGGREGATE STATEMENT of the existing Staff of Civil Government, shewing total Salaries as they now stand, and as they will stand under the new Act in the years 1868-9 and 1869-70, upon the supposition that all the present employes are retained, and exclusive of new appointments, or increases other than those under the Act.

DEPARTMENT.	Number.	Present Salary.	1868-9.	1869-70.
		\$ cts.	\$ cts.	\$ cts.
Governor's Secretary.....	9	10,075 00	9,055 00	9,155 00
Privy Council.....	12	12,753 33	12,933 33	13,213 33
Justice.....	7	7,165 83	7,365 83	7,415 83
Militia.....	15	15,480 00	15,820 00	16,115 00
Secretary of State.....	25	25,968 10	26,517 50	26,957 50
Secretary for Provinces.....	6	8,140 00	8,180 00	8,230 00
Receiver General.....	12	16,970 00	17,050 00	17,135 00
Finance.....	16	19,003 33	19,103 33	19,323 33
Audit	14	18,797 50	19,180 00	19,530 00
Customs	16	17,097 50	17,427 50	17,667 50
Inland Revenue.....	11	12,302 50	12,520 00	12,795 00
Public Works.....	30	36,827 50	37,377 50	37,927 50
Post Office.....	56	48,776 00	50,390 00	52,040 00
Agriculture.....	23	19,310 00	19,670 00	19,890 00
Marine and Fisheries.....	12	11,630 00	12,060 00	12,130 00
Total	264	280,296 59	284,649 99	289,524 99

B.—Continued.

THE EXISTING STAFF.

Years service in present rank.	Present Rank under old Act.	Proposed Rank under new Act.	Date when 1st increase can com- mence.	Date when eligible for promotion.	Present Salary.	Proposed Salary this year, 1868-9.	What will be next year, 1869-70.
					\$ cts.	\$ cts.	\$ cts.
1	Deputy	Deputy .....	.....	.....	2,600 00	2,600 00	2,600 00
6 6	1st class	1st cl. & chf. ....	.....	.....	1,600 00	2,000 00	2,000 00
8 9	"	1st class	Jan., 1873...	.....	1,400 00	1,400 00	1,400 00
8 9	"	"	" 1873 .....	.....	1,400 00	1,400 00	1,400 00
9	2nd class	Sr. 2nd class	July, 1869...	.....	1,100 00	1,100 00	1,150 00
.....	Extra	3rd class	Above max...	Jan., 1870...	730 00	730 00	730 00
8	4th class	"	Jan., 1872...	" 1874...	500 00	500 00	500 00
1	"	"	" 1872...	" 1874...	500 00	500 00	500 00
8	"	"	" 1872...	" 1874...	500 00	500 00	500 00
1	.....	.....	.....	.....	400 00	400 00	400 00
23	.....	.....	July, 1868...	.....	450 00	480 00	500 00
8	.....	.....	Jan., 1874...	.....	450 00	450 00	450 00
.....	.....	.....	.....	.....	11,630 00	12,060 00	12,130 00

APPENDIX C.

LIST OF CHIEF CLERKSHIPS classified according to the importance of the duties attached to them.

Salaries rising from \$2,000 to \$2,400.

Militia	Accountant.
Secretary of State	Deputy Superintendent of Indian Affairs.
Audit	Assistant Auditor.
Do	Accountant of Contingencies.
Customs	Assistant Commissioner.
Inland Revenue	Assistant Commissioner and Chief Inspector.
Public Works	Secretary.
Post Office	Secretary.
Do	Accountant.
Do	Superintendent Money Order Bran

Salary rising from \$1,800 to \$2,200.

Governor General's Office	Chief Clerk.
Privy Council	Assistant Clerk.
Secretary of State	Deputy Registrar and Clerk of the Crown in Chancery.
Do	Ordnance Lands Agent.
Post Office	Cashier.
Do	Superintendent Savings Banks.

In the following Departments one or other of the 1st Class Clerks are to be selected as Acting Chief Clerk, with an allowance of not more than \$400 and the total salary not to exceed \$2,000.

Receiver General's.
Finance, (Accounting Branch.)
Agricultural.
Marine and Fisheries.

In the following Departments, a Chief Clerk does not appear to be necessary, the 1st Class Clerk or the Senior 1st Class Clerk (if there be more than one) being the second in command:—

Department of Justice.

Do of Secretary for the Provinces.

Besides these the Inspector in the Finance Department will rank as a Chief Clerk with a fixed salary of \$2,000 like the Inspectors of Customs, Post Office, &c., who are classified in the outside services of these Departments.

APPENDIX D.

LIST of Men who having been employed as Extra Clerks are now on the Pay-List at Salaries beyond those of the late Civil Service Act.

Department.	Name.	Age.	Years Service.		Salary.
			Yrs.	Mos.	
Justice.....	A. Atcheson.....	28	1	8	\$912 50
	J. A. Macdonell.....	18	1	7	730 00
Militia.....	H. D. J. Lane.....	19	1	9	730 00
Secretary of State.....	L. M. Amouroux.....	58	6	1	912 50
	E. Brousseau.....	33	4	6	912 50
	H. J. Morgan.....	26	4	.....	912 50
	J. V. De Boucherville.....	38	3	1	730 00
	W. M. Goodeve.....	20	2	4	730 00
Secretary for Provinces.....	N. Tétu.....	29	1	6	730 00
Audit	J. B. Simpson.....	26	1	7	730 00
Inland Revenue.....	R. Nettle.....	52	11	4	912 50
Public Works.....	J. B. Howard.....	22	1	.....	730 00
	G. Verret.....	37	6	11	730 00
	O. Dionne.....	33	4	3	730 00
	C. Pope.....	34	6	11	730 00
	E. H. Parent.....	33	3	10	912 50
Agriculture	N. Boissonault.....	50	6	.....	730 00
	E. Tétu.....	30	3	5	730 00
	D. Routier.....	24	6	.....	730 00
	J. E. D'Anteuil.....	25	3	.....	730 00
	D. Lanigan.....	48	1	8	730 00
	J. B. Jackson.....	22	1	8	730 00
	J. F. Dionne.....	33	.....	3	730 00
Marine.....	J. S. Thomson.....	48	4	9	730 00

APPENDIX E.

LIST of men who would have been entitled under the old Law to an increase in 1867-8, shewing what addition to their salaries would result if the increase should be allowed.

Department.	Name.	1867-8.	1868-9.	1869-70.
		\$ cts.	\$ cts.	\$ cts.
Governor General's Office.....	F. Burrowes.....	40 00	40 00	10 00
Privy Council.....	F. H. Himsworth.....	40 00	30 00	0 00
	H. Alexander.....	40 00	50 00	0 00
	W. H. Lee.....	40 00	0 00	0 00
Militia.....	H. O'Meara.....	40 00	40 00	0 00
	E. Gelinas.....	40 00	0 00	0 00
Secretary of State.....	J. M. Tétu.....	40 00	20 00	10 00
	J. A. Bélanger.....	40 00	0 00	0 00
	L. Vankoughnet.....	40 00	40 00	40 00
	J. M. Lecourt.....	40 00	40 00	40 00
	F. P. Austin.....	40 00	30 00	0 00
	W. Mills.....	40 00	40 00	30 00
Receiver General.....	F. Hunter.....	40 00	40 00	25 00
Finance.....	R. W. Baxter.....	40 00	40 00	0 00
	J. A. Torrance.....	40 00	40 00	0 00
	P. C. Ryan.....	40 00	20 00	0 00
	H. A. Jones.....	40 00	40 00	40 00
Audit.....	A. Harvey.....	40 00	50 00	50 00
	J. Patterson.....	40 00	50 00	50 00
	E. C. Barber.....	40 00	30 00	0 00
	G. M. Jarvis.....	40 00	40 00	0 00
	J. R. Hall.....	40 00	40 00	40 00
Customs.....	G. A. Mailleue.....	40 00	40 00	0 00
	P. E. Sheppard.....	40 00	40 00	30 00
	H. C. Hay.....	40 00	50 00	0 00
	J. A. Wolff.....	100 00	100 00	100 00
Inland Revenue.....	J. F. Brown.....	40 00	40 00	35 00
Public Works.....	J. H. Rowan.....	40 00	20 00	10 00
	S. McLaughlin.....	40 00	40 00	40 00
Post Office.....	W. D. Lesueur.....	40 00	0 00	0 00
	G. H. Hargrave.....	20 00	0 00	0 00
	J. Plunkett.....	40 00	40 00	0 00
	O. Fréchette.....	40 00	20 00	0 00
	*T. Cross.....	100 00	100 00	100 00
	A. Lindsay.....	100 00	50 00	0 00
	Brinsley King.....	40 00	0 00	0 00
	*G. O'Donohue.....	100 00	100 00	50 00
	J. Boyd.....	40 00	20 00	20 00
	J. F. McCuaig.....	40 00	50 00	0 00
	J. Audette.....	40 00	45 00	10 00
	E. H. Benjamin.....	40 00	30 00	20 00
	H. J. Garrett.....	20 00	15 00	0 00
	H. W. Griffin.....	40 00	0 00	0 00
	J. McNab.....	40 00	50 00	0 00
	C. C. Neville.....	20 00	20 00	20 00
	S. Drapau.....	20 00	20 00	20 00
	J. C. Patterson.....	40 00	40 00	15 00
	W. Berry.....	40 00	50 00	0 00
	*J. W. McDougall.....	100 00	100 00	50 00
	*R. J. Shaw.....	100 00	100 00	100 00
Agriculture.....	S. Finden.....	40 00	0 00	0 00
	C. C. Neville.....	40 00	40 00	40 00
	S. Ferland.....	40 00	40 00	40 00
	H. Casgrain.....	40 00	25 00	0 00
	J. O'Brien.....	40 00	40 00	40 00
	Total.....	2,480 00	2,045 00	1,075 00

If the arrears of last year were paid and the corresponding changes made in the standing during the current year, the total additional cost during the current year would be \$4,525.

* The men thus marked were promoted by Departmental Order, but the vote having been taken for the lower salary, the promotion did not take effect.

APPENDIX F.

LIST of men who have been promoted or recommended for promotion previous to July, 1868, but whose promotion did not take effect in consequence of the salaries for 1867-8 being voted at the rate at which they were paid June 30th, 1867; shewing what addition to their salaries would result if their promotion were now sanctioned.

Department.	Names.	1867-8.	1868-9.	1869-70.
		\$ cts.	\$ cts.	\$ cts.
Justice	J. Stuart*.....	.....	50 00	50 00
Inland Revenue	J. F. Brown.....	60 00	60 00	55 00
Post Office.....	W. D. Lesueur.....	91 66	0 00	0 00
	T. Cross.....	25 00	100 00	100 00
	G. O. Donohue.....	25 00	100 00	50 00
	J. McDougall.....	100 00	100 00	50 00
	R. J. Shaw.....	25 00	100 00	100 00
	Total.....	326 66	510 00	405 00

* N.B.—No arrears for 1867-8 would be payable because he was paid the additional sum out of contingencies.

APPENDIX G.

LIST of men in the Departments between the ages of 60 and 65.

Department.	Names.	Rank.	Salary.	Years' service.	Age.
			\$ cts.		
Secretary of State.....	Wm. Spragge.....	Chief Clerk	2,000 00	39	60
	J. Forsyth	Land Bailiff.....	415 60	22	61
	J. Gow.....	Messenger	500 00	40	60
Receiver General.....	T. D. Harington.....	Deputy Head	2,600 00	36	60
	F. Hunter.....	Senior 2nd....	1,320 00	10½	63
Finance	D. Ryan.....	Office-keeper.....	500 00	26	60
Audit.....	John Langton.....	Auditor.....	2,600 00	12½	60
	John Simpson.....	Asst. Auditor	2,400 00	4	60
	T. Cruse.....	Book-keeper	1,600 00	12½	64
Customs	R. S. M. Bouchette.....	Commissioner.....	2,600 00	22	63
Inland Revenue.....	T. Worthington.....	do	2,600 00	25	64
Public Works.....	F. P. Rubidge.....	Engineer	2,400 00	26½	63
Post Office.....	W. A. Maingy.....	Extra	480 00	26	61
Agriculture.....	W. H. Johnson.....	Junior 2nd.....	1,000 00	10½	62
	J. B. Lacroix	Messenger.....	365 00	5	60
Marine.....	G. Fisher	Messenger.....	450 00	23	60

APPENDIX H.

LIST of men in the Departments, of 65 years of age and upwards.

Department.	Names.	Rank.	Salary.	Years' service.	Age.
			\$ cts.		
Governor's Secretary.....	Lt. Col. Irvine.....	Aide de Camp.....	1,840 00	15	68
Privy Council.....	W. H. Lee.....	Deputy.....	2,600 00	48	69
".....	F. Vallerand.. ..	1st Class Clerk.....	1,400 00	36	75
Secretary of State.....	E. Parent.....	Ast. Secretary.....	2,840 00	26	67
	S. G. Murray.....	3rd Class Clerk.....	750 00	34	69
Customs.....	H. H. Duffill.....	1st do.....	1,400 00	25	73
Inland Revenue.....	L. J. O'Brien.....	1st do.....	1,400 00	12	71
Post Office.....	J. Boyd.....	2nd do.....	980 00	12	68

APPENDIX I.

CLERKS who, from the nature of their duties, are recommended by the Deputies of their Departments for a higher rank than they would be entitled to by the rules.

Department.	Name.	Theoretical rank.	Present rank.	When eligible for promotion.
Secretary of State.....	L. Vankoughnet.....	Senior 2nd.....	Junior 2nd.....	July, 1870.
Do.....	F. P. Austin.....	do.....	do.....	July, 1869.
Do.....	J. Lecourt.....	do.....	do.....	July, 1873.
Receiver General.....	J. B. H. Neeve.....	do.....	do.....	July, 1870.
Finance.....	H. A. Jones.....	Junior 2nd.....	3rd.....	July, 1871.
Customs.....	W. A. Bell.....	Senior 2nd.....	Junior 2nd.....	Jan., 1871.
Inland Revenue.....	J. F. Brown.....	do.....	do.....	Jan., 1870.
Do.....	A. Begg.....	do.....	do.....	July, 1869.
Public Works.....	J. B. French.....	do.....	do.....	July, 1873.
Do.....	*E. H. Parent.....	do.....	3rd.....	July, 1871.
Do.....	J. Guerin.....	do.....	Junior 2nd ..	July, 1869.
Post Office.....	J. C. Patterson.....	Junior 2nd.....	3rd.....	Jan., 1870.
Do.....	J. W. McDougall.....	do.....	do.....	July, 1871.
Agriculture.....	S. S. Finden.....	Senior 2nd.....	do 2nd.....	Jan., 1869.
Do.....	C. C. Neville.....	do.....	Junior.....	Jan., 1869.
Do.....	S. Drapeau.....	do.....	do.....	July, 1870.
Do.....	W. H. Johnston.....	do.....	do.....	July, 1869.

* Mr. Parent is receiving a per diem pay, and is thus classed as an extra clerk, but his position, both as to length of service and official duties, is exactly the same as that of Mr. Guerin. We think that in this case the strict application of the rule would operate unjustly, and that his case should be as favorably treated as that of Mr. Guerin.

1870

1871

1872

1873

1874

1875

1876

SECOND REPORT

OF THE

CIVIL SERVICE COMMISSION.

PRINTED BY ORDER OF PARLIAMENT.



OTTAWA:
PRINTED BY HUNTER, ROSE & COMPANY.
1869.

SECOND REPORT

OF THE

CIVIL SERVICE COMMISSION.

The Commissioners appointed to enquire into and report upon the organization of the Civil Service of the Dominion of Canada, have the honor to present a Second Report.

In our First Report we entered at large into the constitution of the Departmental Staff at Ottawa. Since that time some of our body have visited the principal cities of the Dominion, and have reported to us upon the outside branches under the control of the several Departments. Before entering into any detail with regard to them we wish to offer some observations upon the constitution of the Outside Services generally.

The Civil Service Act, in the first section, lays down the classification in the Departments, and in our first report we were only called upon to apply that classification to the existing staff. By the second section it is provided that "the outside services shall be organized and classified as hereafter provided," and the method of doing so is provided for in the 15th section, viz., by the Governor General in Council. It was clearly not intended that the same rules of classification should apply to both branches of the service; but lest any doubt should arise as to the interpretation of the 15th section, we think it desirable that an Order in Council should distinctly state that the same rules do not apply, except in the cases specially mentioned.

Each separate service differs so essentially in its leading characteristics, and in the qualifications necessary for the discharge of the duties belonging to it, that they must be differently organized. Where the service is a large one and uniform in its requirements, as the Post Office, the Customs, and the Excise, we have given a general classification, which appears to us to meet the case, with certain maxima and minima, within the limits of which the salaries should range. We have not attempted to define the exact salary which should be assigned to each individual, nor the exact number of the staff which would be required at each port or station. To have done so would have required a minute examination at each separate locality, which, with the Departmental duties of most of us, and the other avocations of the members of the Commission not in the service of Government, would have been impossible. We should have been obliged to depend for information almost exclusively upon the Deputy Head of the Department, and we think that the application of the general scale of classification which we have submitted would more properly rest with those, upon whom the responsibility lies, and who have the necessary knowledge of the circumstances of each case. The 15th section provides that such organization, as approved of by the Governor in Council, shall be submitted to Parliament, and that the estimates of the year shall be based thereon. We think that these estimates should be given in full detail, and would constitute the report contemplated by the section.

In other cases, where there was no large staff which could be included in a general classification, we have remarked upon particular salaries which we thought either too high or too low, and when we have made no such remark, we wish it to be understood that we

see no reason for altering the existing rates. In some instances, as in the case of the Trinity Houses, Quebec and Montreal, we have suggested an entire re-distribution of the duties, and a re-arrangement of salaries will be the necessary consequence.

There are two of the provisions of the Civil Service Act which ought to be considered as extending to all employés in the outside services, as well as to those at the seat of Government.

All persons permanently in the employment of Government should produce the certificates, and be subjected to the examination, contemplated by the 6th section. In some cases, where special qualifications are required, as Excise Officers, Steamboat Inspectors, &c., the Department in charge is authorized to require a special examination beyond what would be required for ordinary candidates. In other cases, as Light-house Keepers, and Letter Carriers, less attainments will be necessary; and each Department should be instructed to send to the Civil Service Board a Statement of the qualifications they require for each grade; and the Board has the power so to arrange local examinations, as not to put applicants for office to unnecessary trouble to attend examinations.

The rule with regard to the age, at which persons may enter the public service, should also be strictly adhered to. In some cases, such as Overseers of Fisheries, Light House Keepers, &c., appointments would doubtless be made at higher ages than those contemplated by the Civil Service Act for the Departmental Staff; but such cases seem to be met by the 3rd section (sub-section 1,) and a general Order in Council, authorizing the appointment of men above 25 for particular offices, would come within the meaning of this section; but it is doubtful how far any one should be appointed above the higher age of 40 therein mentioned, especially if it should be proposed to establish any general system of superannuation. If in any particular class of employés (Light House Keepers for instance,) it should be found advisable to extend this limit, a definite rule should be laid down and strictly adhered to.

With these preliminary remarks we will proceed to report upon the outside branches of the public service separately.

OUTSIDE SERVICES UNDER THE DEPARTMENT OF MARINE AND FISHERIES.

The services under the superintendence of the Department of Marine and Fisheries are very various in character, and for this reason, and because they are now for the first time brought together under one system of management, they require perhaps more revision than those of any other branch of the public service.

LIGHT HOUSES, &c.

The most important of these is that of the maintenance of the Light Houses, including under the same general expression Buoys, Beacons, Fog-whistles, Signal Stations, Humane Establishments, and other appliances for the safety of Navigation.

The Light Houses, &c., in the St. Lawrence, from Montreal downwards, used to be managed by the independent Boards of the Trinity Houses, Quebec and Montreal, with hardly any interference by the Executive, and when a system of Lights came to be established above Montreal they were managed by the Department of Public Works, which had general charge of that navigation. In Nova Scotia they were superintended by the Board of Work, which was not specially under the charge of any minister; and in New Brunswick by the Board of Commissioners of Public Institutions, in which three of the Ministers had seats, with some unpaid commissioners and with two salaried permanent officers. Since Confederation the Department of Marine and Fisheries has taken charge in Canada of the Lights formerly under the Public Works, and of all the Lights in Nova Scotia and New Brunswick, the separate Boards which managed them being local institutions, as far as they retain any existence. The Lights below Montreal, however, are still entrusted to the Trinity Houses. These Boards are no doubt under the general supervision of the Department, but it has not the same direct control over those Lights that it has over all others in the Dominion. We

think that a uniformity of practice in this respect ought to be established, and that the Lights in the St. Lawrence, below Montreal, ought to be managed directly by the Department, with local inspectors, as in others parts of the Dominion, and we entertain no doubt that the placing of buoys in the spring, the inspection and the furnishing of supplies would thus be managed more economically. We observe that a similar change has been recommended in Great Britain by a Royal Commission.

PILOTS.

There is a similar want of uniformity in the superintendence of Pilots. In Nova Scotia the Governor appointed Pilot Commissioners who examined and licensed the Pilots, and made the By-laws to which they were subject, with the exception of the scale of fees, which was determined by Act. At the Port of St. John the corporation makes By-laws for the regulation of pilotage, and, there being no Superintendent of Pilots there, the corporation itself examines and licenses them. In Charlotte County three Commissioners are appointed to make regulations for Pilots. Elsewhere in New Brunswick, this business is managed by the County Sessions who appoint Wardens, upon whose nomination the Pilots are licensed. In Canada, the pilotage in the St. Lawrence is regulated by the Trinity Houses at Quebec and Montreal, costing \$2,400 at the one and \$1,200 at the other for superintendent's salaries, besides a proportion of the annual salaries and contingencies of the staff. At both of these latter ports there is a fund for the support of decayed Pilots, which is maintained by a percentage deducted from the Pilots' fees. We observe that in both cases the proceeds are very irregularly invested (large sums remaining in the hands of the Treasurers), and the investments themselves are of a very miscellaneous character. We think that in all such cases of Public Funds the investment should be in public securities, or, what would be still better, that the revenues should be paid to the Receiver General, and interest should be allowed upon the quarterly balances as in the case of other Trust Funds.

From the nature of the business of superintending Pilots it would appear that there must be local Boards of some kind, under the general supervision of the Department; but the whole question evidently requires thorough revision, and the expense of the management, which in one part of the Dominion is borne by the Municipalities, ought not elsewhere to be defrayed from the public chest.

HARBORS.

The same diversity of practice prevails in the management of Harbors in different parts of the Dominion. In Ontario, the Harbor at Presque Isle is the only one which is under the control of an officer of the Government, under the Department of the Public Works, the others being managed by the Municipalities, or by local Boards of Harbor Trustees. At Montreal there is a Harbor Commission appointed by Government, which has charge not only of the Harbor itself, but of the improvements in the navigation of the river downwards. The general expenses are met by harbor dues, upon the credit of which Debentures have been from time to time issued, some with the Government guarantee and some without it, and in 1860 the Government assumed all expenditure incurred for deepening Lake St. Peter. All the improvements since that date have been paid for by the general government through the Public Works Department, but the works themselves are carried on by the Harbor Commissioners, under an agreement with that Department. Since the Trust has been relieved from the heavy debt arising from this important work, it has been self-sustaining. At Quebec, there has, of late years, been established a Harbor Trust, upon a similar principle to that at Montreal, which has got into financial difficulties, and has applied to the Government for relief. As a separate Commission has been appointed to enquire into this matter, we need not any further allude to the circumstances, excepting for the purpose of shewing the various positions, in which the main harbors of the country are placed, with regard to the general Government. But irrespective of the improvements in the Harbor of Quebec, which are in the hands of this Trust, the superintendence of the shipping in the Harbor is entrusted to a Harbor Master, whose salary and contingencies are paid by the Dominion, and whose office forms an important branch

of the business of the Trinity House at Quebec; and as the Harbor of Quebec technically extends down to the Gulf, a Harbor Master at Gaspé and one at the Magdalen Islands, are also paid, and the regulations of those harbors are framed by the Trinity House. The Harbor Master at Sorel is similarly under the Trinity House, Montreal.

There is no Harbor Master at Halifax, but elsewhere in Nova Scotia the Sessions may appoint a Harbor Master and prescribe his duties. They also may define the limits of the harbor, and determine the fees not to exceed those named in a Schedule to the Act. In New Brunswick, the Harbor Masters are appointed by the Sessions in the Counties, and their fees are regulated by Act, but at St. John the Corporation both appoints and determines the fees.

The Harbor Master at Quebec is thus the only one at the main ports of the Dominion, who is paid out of Provincial Funds, at an annual cost, including his clerk, water-bailiff and four boatmen, of upwards of \$4,500 per annum. It would appear expedient that the service of the harbors ought to be placed upon a more uniform footing; but even upon the present system a saving of \$1,200 a year might be made by the Harbor Master at Quebec, making use of one of the boats of the River Police, and, indeed, the River Police might very well be placed under the control of the Harbor Masters.

SHIPPING MASTERS.

The Shipping Master's Office at Quebec costs the Dominion \$1,200, besides having two of the police force assigned to it. There is nothing analogous to this elsewhere, similar officers being paid exclusively from fees. If it were made compulsory for all seamen to be shipped through the Shipping Office, which is not the case at Quebec, the fees ought to cover all expenses.

RIVER POLICE.

The River Police at Quebec is paid by Government, and towards its support certain tonnage duties are collected, which, since the addition to them last Session, may perhaps cover the expense of the force. At Montreal there used to be no tonnage duties for this purpose, but the Harbor Commissioners used to contribute towards the cost. Under the new Act, tonnage duties are collected, but they will not nearly provide the necessary amount.

Besides their duties more immediately connected with the particular ports, these forces have been, from time to time, employed in the service of the general Government. There is nothing analogous in any other part of the Dominion, and as far as their services are purely local, it appears more proper that the whole cost, together with that of the Harbor Master, Shipping Master, Superintendent of Pilots and other similar charges, should be covered by port dues or other local fees. In any case we think that there are two material improvements which may be introduced. The policemen have hitherto been appointed by the Judge of Sessions, who has had the entire control of the force, whilst the salary of the nominal Chief of the Police at Quebec does not produce as great a per diem allowance as that of his own coxswain. We think this arrangement a very inconvenient one. The position of Chief ought to be made one of more importance if any proper discipline is to be preserved, and he should have the entire control of the force, with the power of recommending and suspending the constables, subject to the approval of the Department. It would also be a great improvement if a steam launch were used instead of rowing boats, especially at Quebec. We believe that by this means a considerable reduction might be made in the number of the constables employed and in the total cost.

DOMINION STEAMERS AND OTHER VESSELS.

There used to be three steamers maintained by the late Province of Canada, which were engaged in carrying the mails and passengers between Quebec and the lower port, as well as in attending upon the light-houses, &c., and their management occupied an expensive staff under the Department of Public Works. There are now only two, which are exclusively employed in the latter business, and in aiding in the removal of obstructions in the channel, and they are available to be sent down to the assistance of vessels in distress. Besides

the crews of the vessels only one manager is now found necessary, with a salary of \$1,000, which it is proposed to increase to \$1,200, and who may perhaps, if further duties are thrown upon him, require the assistance of a clerk. The present wharf and premises cost \$2,800 a year in rent, an unnecessary expense as there is ample accommodation at the old Custom House which belongs to Government. The lease of the premises now occupied expires on the 30th of April next, and they ought to be at once given up. At Halifax there is one steamer belonging to the Government, which is similarly engaged and is managed by the general agent of the Department there. Besides these there is the schooner *La Canadienne*, at Quebec, employed in the protection of the Fisheries, and a schooner has been under charter at Halifax whilst the steamer *Druid* was undergoing repairs. The Trinity House at Montreal has also a steamer for lying buoys and supplying light-houses, which is thus only indirectly under the management of the Department. In the upper waters the supplies are distributed by chartering vessels in the ordinary trade.

SICK MARINERS' FUND

The Act of last Session was a step in the right direction, in assimilating the practice of different parts of the Dominion. The several Acts by which tonnage duties were rendered applicable to the particular port where they are collected, are repealed, and a uniform rate of 2 cents per ton is levied from all ships, except at the ports in Ontario, for the support of sick Mariners generally. The same fund is made available for shipwrecked and distressed seamen, advances towards whose relief are refunded in certain cases by the Imperial Government. The duties are collected by the Officers of Customs, and are accounted for to the Department of Marine. This is in accordance with the Act establishing the Department of Marine and Fisheries, but we think that, in this and all similar cases, the Officers of Customs should account, not directly, but through their own Department.

There still however remains some considerable diversity of practice. At Halifax and Montreal the sick seamen are provided for in the General Hospitals, the Government paying so much a week for their support; at St. John and St. Andrews there are special Marine Hospitals for sailors exclusively; at Quebec the Government maintains the Marine Hospital for sailors and emigrants, and the Provincial Government pays a sum towards the expenses for local patients who are also admitted; and at minor ports in Nova Scotia and New Brunswick the Collector takes charge of the sick seamen, and boards them out, paying for medical attendance. The first of these modes appears to be the most economical, where circumstances admit of it. There is also this further anomaly, that whereas all other Marine Hospitals are under the Department of Marine and Fisheries, that at Quebec, upon the ground that emigrants are also taken charge of, is under that of Agriculture. It may, however, be convenient to make our report upon that establishment in this place. We have obtained no complete statement later than 1866, in which year the maintenance of patients of the three classes was as follows: seamen, 10,272 day; emigrants, 1,690; local patients, 15,365.—Total, 27,327. From this it would appear, that the Local Government ought to have borne more than half of the expense, or upwards of \$11,000, whilst they only paid \$4,000. It appears also to us, that the Institution, though in other respects well managed, is not economically conducted. In illustration of which, we append a comparison with other Hospitals, for the year 1866, under the two heads of salaries and maintenance, excluding such charges as repairs, rent, taxes, interest on debts, &c.

	General Hospital, Toronto.	General Hospital, Montreal.	Marine Hospital, Quebec.
	\$ cts.	\$ cts.	\$ cts.
Salaries	2,834 75	2,735 50	6,123 54
Maintenance.....	13,371 89	10,795 80	14,450 24
Total.....	16,206 64	13,531 30	20,573 78
Total No. of days of patients.....	33,854	35,876	27,827
Cost per week, per head.....	\$3 56	\$2 63	\$5 17
Proportion of salaries to other expenses.....	21 per cent.	25 per cent.	42 per cent.

It must however be observed, that the business of the Quebec Hospital being principally confined to the summer months, the expense of the permanent staff will naturally bear a higher proportion to the maintenance of the patients than at Montreal or Toronto.

OBSERVATORIES.

The Observatory at Quebec, principally engaged in giving time to the shipping, is under this Department, as will also be those at St. John and Halifax, for which a vote was taken last Session. The Director of the Observatory at Quebec, by economizing his annual grant for several years was able to lay by sufficient to purchase a large equatorial which has been fitted up on the Bonner Farm. As long as the whole of that property was in the hands of the Government of the late Province, there was no special object in marking off the portion of the land occupied by the Observatory; but now that the remainder has been assigned to the Province of Quebec, with the new Gaol, the limits of each ought to be at once distinctly defined. Captain Ashe, the Director, employs himself with his new instrument in general astronomical work, and he has fitted it up with a photographic apparatus, with an especial view to observations on the sun. He has applied for an extension of his grant for the purpose of purchasing more instruments and extending the sphere of his scientific enquiries; but as the special object of the Observatory is to give time to the shipping, we do not think it desirable at present to add to the amount which has been annually granted for many years past. We do not however see any objection to an exception being made in this case to the general rule, that unused balances of appropriations should lapse at the end of the financial year. The same privilege may be extended to him which was permitted by former Governments, viz: that any balances which he might save should be allowed to accumulate, for the purchase, from time to time, of further instruments.

Of the other observatories, those at Montreal and Kingston are attached to the Universities there; the Department of Marine and Fisheries, does not, therefore, exercise any control over them, or over the Magnetic Observatory at Toronto. We may however take this opportunity of remarking that the latter Observatory is in a very anomalous position, and steps ought to be taken at once to place it upon a proper footing. It was originally established by the Imperial Government as part of a general system of stations all over the world, selected in concert with other Governments for carrying on magnetical and meteorological observations. When the Imperial Government withdrew its Director in 1855, it agreed to give up the building and valuable collection of instruments upon condition of the Province continuing to maintain the Observatory. The Provincial Government, therefore, has ever since made the same annual grant, and the general superintendence of the institution was committed to the Senate of the University, which incurred considerable expenditure from its own funds in the erection of buildings, besides contributing annually to its support, beyond the Government grant. At a subsequent period, this not being considered a proper application of the University Funds, the establishment was reduced so as to keep it within the Government grant, and the Observatory ceased to have any connection with the University, excepting that the general supervision was entrusted to a Committee of the Senate, and that the buildings themselves were on the University property. Since Confederation the management of the University has passed into the hands of the Provincial Government, but the Observatory, not being a matter of local interest, but a link in the general chain of similar institutions all over the world, remains with the Dominion, and is now without any supervision as to the management, excepting as to the audit of the accounts. It appears to us, therefore, that a Board of Visitors should be appointed, to whom the Director should report. It might consist of the Vice-Chancellor of the University, the Mayor of Toronto, the Superintendent of Education, or some other local authorities or persons specially appointed.

At the same time an agreement ought to be entered into with the Senate of the University, that as long as the Dominion maintained the Observatory, the Director and his Assistants should be allowed the occupation of the buildings rent free.

STEAMBOAT INSPECTION.

The inspection of steamboats and marine engines is managed by a Board of six Inspectors, under the immediate control of this Department. The inspection fees are collected by the Officers of Customs, and are accounted for to the Department, and the fees, on the average, fully cover the cost of inspection. Five of the Inspectors are paid a salary of from \$800 to \$1,000. The Chairman of the Board occupies a very responsible position, and we are of opinion that his present salary of \$1,200 is inadequate to his duties, and that after the close of the present financial year it should be raised to \$1,600.

FISHERIES.

There are two classes of officers entrusted with the Superintendence of Fisheries. The Overseers have certain districts allotted to them, and have magisterial functions in enforcing the fishery regulations, the issuing of licenses, &c. Their salaries vary, according to the importance and extent of their districts, from \$30 to \$500. Under them, in Nova Scotia and New Brunswick, are the Fishery Wardens, who do not act as magistrates. They are mostly situated at distant places, where constant supervision is necessary, but which could not easily be visited by the overseers. Their pay varies from \$30 to \$240. There is an Inspector of Fisheries for Nova Scotia and New Brunswick, and he receives a salary of \$1,400. In Ontario and Quebec, the necessary supervision is exercised by the Department directly.

The schooner *La Canadienne*, under the command of a Stipendiary Magistrate, is engaged chiefly in the supervision of the Fisheries, in the Gulf of the St. Lawrence and the Bay of Chaleurs. The Magistrate has authority over the Overseers, grants licences and maintains order among the fishermen. His salary is \$1,200; and the cost of maintaining these vessels from \$10,000 to \$12,000 per annum.

Besides these duties, the Act under which the Department is constituted contemplates the granting of Licenses to master and mates of vessels, and inquiring into the causes of wrecks, but no complete organization for these purposes has as yet been established.

The Department has Agents at Halifax and St. John. The Agent at Halifax, with a salary of \$1,600 and with the assistance of a clerk at \$800, has the management of the Light Houses, the steamer *Druid*; and all the expenditure for the fisheries, sick and distressed seamen, and other branches passes through his hands. The agent at St. John has a salary of \$1,200, and has similar duties. There are also two Inspectors of Light Houses: one for Nova Scotia with a salary of \$800, and one for New Brunswick with a salary of \$1,200. There does not appear to be any sufficient reason for the difference, and we think that the former of these should be increased.

We have thus gone through the several outside services of this Department, and we have, in doing so, pointed out the want of uniformity in the method of dealing with them in different parts of the Dominion, and incidentally the alterations which may be introduced with advantage. Though to a certain extent these are independent services there are many points in which they work in with each other. Thus the steamers are necessary for the laying of buoys and the supply of the light houses; they afford the means of giving instruction to the pilots' apprentices, and the captains of them having been pilots themselves may be made available as superintendents of pilots; they also may be used in the protection of the fisheries. Similarly the management of the harbors is of especially local interest and intimately connected with the Police, Shipping Master's Office and pilotage of the ports, and the same organization may be made use of for the management of the whole of them.

The principal impediment in the way of introducing uniformity of practice in this respect is the constitution of the Trinity Houses at Quebec and Montreal. In both cases we think that the management of the Light Houses, Buoys, &c., should be vested directly in the Department, and it is possible that the supply and inspection of those between Montreal and Quebec could be more economically done by chartering steamers in the general trade, than by maintaining a steamer specially for that purpose at a cost of \$6,000 per annum. Should it, however, be found advisable to retain this steamer, the captain of it might be made available as Superintendent of Pilots, thus saving one highly salaried

officer. At Quebec the visiting and supplying the Lights, &c., is now performed by the Government steamers, and the intervention of a separate board, as far as lights are concerned, seems wholly unnecessary.

The superintendence of pilots, as we have before observed, will everywhere require a local organization. At Montreal, this already exists in the Harbour Commissioners who are appointed by the Government, and to whom this branch of the public service might very properly be assigned. Such a change has been recommended by leading merchants there, and it would result, with the transfer of the lights to the Department, in the saving of almost the whole of the salaries and contingencies of the Trinity House, amounting to upwards of \$4,000 per annum. Any additional cost arising from such a transfer, together with the expense of the River Police, ought to be covered by the port dues. The present Act under which this force in established provides that the tonnage duty on all ships, which is intended to meet the cost of the force, shall not be exacted at Montreal from vessels which have already paid it at Quebec, and as most vessels first touch at the latter port, the receipts at Montreal are not nearly sufficient to cover the expense. As long as both forces are paid by the Government, irrespective of the amount collected, this is a matter of minor importance, though leading to misconception; but if each port is to be self-sustaining, as it ought to be, the tonnage duty paid by vessels touching at both ought to be at least divided between them.

The Trinity House at Quebec, besides the superintendence of lights and pilots, has also the Harbor Master attached to it, and performs functions vested in the Harbor Commissioners at Montreal. It would appear desirable that one local Board should be established at Quebec, uniting some of the duties of the present Trinity House and Harbor Commissioners. The lights and buoys being managed by the Department directly, the local Board would have charge, under it, of the Harbor and the Pilots, but the captains of the Government steamers might still be made available as superintendents of pilots, by which a considerable saving might be effected, and the whole expense of the port for harbor management, pilots and police, ought, as elsewhere, to be covered by local rates.

In illustration of the opening there may be for economy here, we append an analysis of the expenditure of the Trinity Houses at Quebec and Montreal, during the years 1866-7 and 1867-8, showing for each the salaries and contingencies of the Staff, and the cost of maintenance of the Lights, &c.

TRINITY HOUSE, QUEBEC.

	1866-7.	1867-8.
	\$ cts.	\$ cts.
Salaries of General Staff	5,864 34	6,176 00
Contingencies of do	3,751 32	2,662 66
Harbor-Master's Salary, &c.....	4,561 04	4,573 22
Salaries, &c., of Superintendents of Pilots.....	2,400 00	2,650 61
Total Staff and Contingencies.....	16,576 70	16,062 49
Maintenance of Lights, &c.....	32,181 30	36,770 77
Total.....	48,758 00	46,833 26
Receipts.....	2,085 22	215 32

N. B.—The vote for this service for the year 1868-9, was reduced to \$42,752.00, but judging from the comparison of the payments of the two years to February, no corresponding reduction to the expenditure has been affected.

TRINITY HOUSE, MONTREAL.

	1866-7.	1867-8.
	\$ cts.	\$ cts.
Salaries of General Staff	3,247 67	3,067 06
Contingencies of do	1,864 46	983 11
Harbor Sorel.....	227 65	1,339 44
Superintendence of Pilots.....	1,300 00	1,200 00
Total Salaries and Contingencies.....	6,639 78	6,589 61
Light Houses Maintenance	11,487 81	9,712 01
Do new	3,692 49	3,514 70
Maintenance of Steamer.....	5,133 42	6,170 44
Total.....	26,953 50	25,986 76
Receipts.....	13 00	Nil.

Should any such change be made as that above suggested, it would appear necessary to make considerable modifications in the management of harbors and pilotage in Nova Scotia and New Brunswick also; keeping the same principle in view, that each port should bear its own expenses out of local dues, excepting for such general superintendence as may be necessary. In the smaller ports, the management of the harbors and pilots may probably be left as at present to the Sessions, or at least the local boards may be nominated by them, to carry out a uniform system; but at a large port like St. John, it appears very unadvisable that the whole management of the harbor, including the examination and licensing of pilots, should be left in the hands of the corporation alone. The Corporation being appointed by the whole population of the city, can hardly be expected to give sufficient attention to the interests of the port and shipping, which, however important they may be to the real prosperity of the whole city, more particularly affect the merchants and ship-owners, who as a class should have a preponderating influence in framing and carrying out the regulations of the port. Serious complaints have been made to the Department upon this subject, and a memorial, influentially signed, is now under its consideration.

OUTSIDE SERVICE OF THE POST OFFICE DEPARTMENT.

* This Outside Service consists of—

1. Postmasters and Assistants at Country Post Offices.
2. Postmasters, Clerks, Letter Carriers, &c., at City Post Offices.
3. Railway Mail Clerks.
4. Foreign Mail Service.
5. Inspectors and Clerks in their Offices.
6. Ocean Mail Clerks serving in the Steamships.

CITY POST OFFICES.

There are 3,620 Post Offices of this class now in operation in the Dominion, each having a Postmaster, and one or more sworn Assistants, as required.

The Assistants act entirely under the responsibility of their Postmasters, and the Department takes no cognizance of them, further than to hold the Postmasters accountable that they are persons of good character, and fit to be entrusted with Post Office duties.

All Postmasters give bonds, with two sureties, varying in amount at these Offices from \$50, at the small Way Post Offices of Nova Scotia, to \$2,000 or \$3,000, at Offices where the business is large; the ordinary amount where there is neither Money Order nor Savings Bank business is \$800.

In Ontario and Quebec, all Postmasters render their accounts direct to the Department, the City Postmasters, monthly, and the others, quarterly; and as a rule, all balances are paid into the nearest Bank of Montreal Agency, to the Postmaster General's credit; but where this cannot conveniently be done, the remittance is made direct to the Postmaster General.

In Nova Scotia and New Brunswick the Offices are divided into two classes; 1st, Post Offices proper; 2nd, Way Post Offices;—the main distinction is, that the former account direct quarterly, whilst the Way Offices account to certain of the Post Offices of the first class on which they are made dependent, and the Way Office collections are included in the Returns of such Post Offices.

Postmasters are paid—

In Ontario and Quebec, by a commission taken quarterly on the postage collected at their Offices, as composed of postages received in money, and of amounts posted at their Offices, prepaid by stamps; the scale is $33\frac{1}{3}$ per cent. on the first \$200 collected in a quarter, and 25 per cent. on the remainder. In cases where the Mail Service takes place at night, 50 per cent. instead of $33\frac{1}{3}$ is allowed on first \$200. Moreover, 20 per cent. commission is allowed on such Newspaper postage as may be collected, and a small allowance is given for stationery, sealing-wax, twine, stamping material, &c., varying from a minimum of \$2 per annum, at the smaller Offices, to \$48 per annum, at Offices like Brockville and Guelph.

Such Offices as transact Money Order or Savings' Bank business, are allowed a quarter of one per cent. on the amount of Money Order issues and of Savings' Bank deposits.

A commission of five per cent. is taken by such of these Offices as sell Bill, Law or Registration Stamps to the public on the amount of such sales.

These commissions and allowances are the compensation to Postmasters in Ontario and Quebec for the ordinary duties of their offices as connected with the correspondence posted at or delivered at an office in each case, but at numerous points where Post Routes unite or diverge, mail matter passing between other offices has to be concentrated or distributed, and charges raised against other offices, in respect to postage collected, or to be collected, on such mail matter, involving troublesome duties quite distinct from those arising from the correspondence of the office itself on which the commissions are calculated, and for these extra duties, extra allowances are granted (as nearly as can be judged, in proportion to the extent and nature of such extra work), varying from \$12 a year to \$240.

At 42 of the principal Post Offices of this class, where it has been found expedient to exact that accommodation be provided for the Post Office, distinct from the Postmaster's own business as a trader, &c., an allowance is made in aid of the expenses to be incurred at such offices for rent, fuel and light, varying from \$48 to \$240 per annum.*

In Nova Scotia and New Brunswick all Postmasters, whether at regular Post Offices or Way Post Offices, are paid by fixed salary—graduated by rules intended to secure, as far as practicable, a due proportion between the amount of salary and the amount of duty performed. In addition, the Postmasters receive a small commission on Postage Stamps sold by them, and on their Money Order transactions.

As compared with the system of paying Postmasters by commission on their postage collections, which has always prevailed in Ontario and Quebec, the system of paying by fixed salary based on what a commission would yield, and adjusted, say annually or every two years, on comparison with the amount of collections and incidents of duty, appears to be decidedly preferable for several weighty reasons, it would be a more equitable mode, and would enable compensation to follow more closely, than a commission can do, the comparative amount of duty and responsibility at the several Offices—for commission takes note of nothing but the actual collections and gives no consideration to the other points which should enter into the question.—The necessary devotion of time to the Office, number of mails to be attended to and other incidents of duty, may be the same whether an Office collects \$20 or \$200 of postage, and a Postmaster's compensation cannot therefore be justly determined solely by the amount of revenue he collects.

At all other offices the Postmaster's responsibility in providing office accommodation is that suitable for the purpose, and generally satisfactory to the Postmaster General and to the

The fixed salary system would greatly simplify the accounts and remove a fertile source of difficulty and disagreement, resulting in a multiplicity of corrections for small amounts leading to equally small balances, very difficult to collect satisfactorily.

Moreover it is very desirable that there should be an assimilation of Post Office practice and system on all main points throughout the Dominion, and judging the fixed salary mode of paying Postmasters to be the best, it would be better to extend the application of that principle to Ontario and Quebec, rather than alter the usages in this particular of the Post offices of the Maritime Provinces.

Power to make this change in Ontario and Quebec was taken in both the last and present Post Office Acts, and provision was even made for the probable additional cost in the appropriation of the current year, but as yet it has been impossible to undertake the business, and indeed the basis of collections and present commissions has been so disturbed by the reductions and alterations of postage rates which took effect last April, that the Department could not safely embark on such a measure until matters had somewhat settled down.

In alluding to additional cost, in connexion with the change from commission to salary, what is meant is this, that a Postmasters' compensation should be compounded, partly of an equivalent for a commission on amount of collections, and partly of something as a consideration for the incidents of duty which are not fairly represented by the comparative amount of those collections. The result need not materially alter the amount of payment to any other Offices than those in the newly settled and thinly inhabited parts of the country where Offices are established and maintained under the influence of considerations, in which the question of the amount of revenue to be collected holds but a subordinate place. With these Offices it is, that the commission principle operates unjustly, and it would probably be right to have a minimum salary of perhaps \$12 a year. At a very recent date it was found that there were upwards of 500 Postmasters in Ontario and Quebec whose income from commission did not exceed ten dollars per annum, and nearly as many more whose yearly commission ranged between \$10 and \$20. These are the men whose cases are not equitably met now by a Commission allowance, and it is in applying a salary scale to them that the increased cost would arise.

CITY POST OFFICES.

The Postmasters and 176 Clerks, Letter Carriers, &c., compose the staff of the City Post Offices at Halifax, St. John, Fredericton, Quebec, Montreal, Ottawa, Kingston, Toronto, Hamilton and London.

City Postmasters.

These Officers are to be appointed by the Governor, and all are paid by fixed salaries.

In Ontario and Quebec the salaries to City Postmasters were regulated by the Civil Service Act of 1857, on the following scale :—

	Where Postage Exceeds \$24,000 per annum	Where Postage Exceeds \$12,000 and is below \$24,000
Postmaster's Salary	\$2,000	\$1,600.

In Nova Scotia and New Brunswick there appears to have been no scale.

The Yearly Postage collections, extent of staff, and salaries paid to the Postmasters of these City Offices, are as follows:—

City.	No. of Staff, exclusive of Postmaster.	Yearly Postage Collection.	Postmaster's Salary.	—
		\$	\$	
Halifax, N. S.....	17	25,000	2,400	Postmaster for Halifax acts also as Inspector of Nova Scotia.
St. John, N. B.....	13	26,000	2,000	
Fredericton	3	8,000	1,200	A deduction of \$400 a year has for some years been made by Govern- ment, from salary paid to present incumbent at Quebec, on ground that he did not fully discharge the duties of the appointment.
Quebec	19	40,000	2,000	
Montreal.....	49	110,000	2,000	
Ottawa.....	13	28,000	2,000	
Kingston.....	7	15,000	1,840*	*The present P. M's of Kingston and London had this amount of salary when the Act of 1857 came into operation.
Toronto.....	33	75,000	2,000	
Hamilton.....	11	31,000	2,000	
London	11	20,000	1,840*	

It is clear that the duties and responsibilities of the Postmasters of Montreal and Toronto, in respect to the postal business of their offices, have far outgrown the scale of 1857, and it is not right that the Postmasters of those Cities should receive no higher salary than the Postmasters of other Cities not having half the amount of postage to collect, nor half the extent of staff to supervise and direct.

Moreover, as respects Ontario and Quebec, the growth since 1857 of the Money Order business, and the introduction since that date of Post Office Savings Banks and the distribution of Bill Stamps through the Post Office, has largely added to the labour and responsibility of the City Postmasters in those Provinces, without bringing to them any compensation whatever. Their salaries have not been augmented since the settlement of 1857, nor has any commission or allowance been granted to them in respect to the Money Order, Savings Bank, or Bill Stamp business.

This condition of things bears with special severity on the Postmasters of Montreal and Toronto, because, as above noticed, the postage collections and ordinary postal duties at those Cities have so far increased during the last ten or twelve years as to call for a revision of the salary allotted to those officers by the scale of 1857, on that ground alone.

Comparative statement of the chief incidents of duty and responsibility of the Postmasters of Montreal and Toronto, with their salaries, in the years 1857 and 1868, respectively:—

	MONTREAL.		TORONTO.	
	1857	1868	1857	1868
Number of Staff.....	23	49	20	33
Annual Postage collected.....	\$53,000	\$110,000	\$56,000	\$75,000
Money Order Transactions.....	\$395,000	\$640,000	\$300,000	\$550,000
Savings' Bank do	Nil.	\$33,000	Nil.	\$136,000
Bill Stamp Sales	Nil.	\$23,000	Nil.	\$5,000
Salary	\$2,000	\$2,000	\$2,000	\$2,000

The general scale of salary to City Postmasters may conveniently be modified thus, dividing these Offices into 5 Classes:—

1	2	3	4	5
Where postage collections exceed \$80,000.	Where postage ranges between \$60,000 and \$80,000.	Where postage ranges between \$40,000 and \$60,000.	Where postage ranges between \$20,000 and \$40,000.	Where postage collected is less than \$20,000.
\$2,400	\$2,300	\$2,200	\$2,000	\$1,200 to \$1,800, as P. M. General may determine in each case.

An allowance in addition to fixed salary should be made to City Postmasters of not exceeding $\frac{1}{10}$ th of 1 per cent on Money Order and Savings Bank transactions, and $\frac{1}{2}$ per cent, on Bill Stamp sales.

Assistant Postmasters.

There are Assistant Postmasters at :	Salary as fixed by the Civil Service Act of 1867 :
Quebec.....	\$1,400
Montreal.....	1,400
Toronto.....	1,400
Hamilton.....	1,400
London.....	1,000

As a principle it is expedient that there should be an officer of the standing and recognized authority of an Assistant Postmaster in each City Office, to represent the Postmaster in his absence and at all times to assist in maintaining discipline, and superintending the correct performance of the duties of the office.

The scale of payment should be made to conform to the above classification of City Offices, and stand thus :

Class of City Office.	Salary of Assistant Postmaster.
1 and 2.....	\$1,600 per annum.
3.....	1,400 do
4.....	1,200 do
5 not exceeding.....	1,200 do

City Post Office Clerks.

The Clerks serving in the City Post Offices of Ontario and Quebec have always been classified for salary and promotion under the ordinary scale of the Civil Service Act of 1857, with this restriction that, as a rule, no Clerk could rise above the 2nd Class of that scale by service in a City Office.

The working hours in the City Offices are necessarily long and the labor incessant and frequently of an irksome character; but the nature of the employment does not call for so high an educational qualification as is required for advancement in the Head Quarter staff. It is therefore neither necessary nor desirable that the classification should be the same.

The following scale of salary is recommended for this branch of the Post Office service :

4TH CLASS.	3RD CLASS.	2ND CLASS.	1ST CLASS. (With specific duties, and limited in number.)
\$360 on appointment, rising by \$40 a year to \$520.	\$600 on appointment to class, rising by \$40 a year to \$800.	\$300 on appointment to class, rising by \$40 a year to 1,100.	\$1,000 to \$1,400, as P. M. G. may determine in each case, having regard to merits and service of the Clerk, and relative importance of the City office.

In this scale Clerks would enter at \$360, as compared with \$300 in the Head Quarters scale, and if this difference should have any tendency to induce candidates for the latter service, to enter and serve their first year or two in a City Post Office, the result would be a very desirable one.

The great body of the Clerks now serving have rank and salary under the 3rd and 2nd classes of the scale of the Civil Service Act of 1857, with which the same classes of the above scale would exactly correspond, causing therefore no disturbance in the standing or pay of these men, an object of some importance; but as respects men hereafter coming into the service, they would enter at \$360, instead of \$500, and must serve five years to attain to \$600 a year. At present this rate of salary may be attained in two years, but practically the time occupied has been three or four years.

The addition of 1st class Clerkships for specific duties in the City Post Offices will make better provision than now exists for the men called upon to fill the arduous and responsible positions connected with the issue and payment of Money Orders, with Savings' Bank transactions, care of Registered Letters, and with the leading duties of the mailing and delivering branches in the principal city offices.

The same principle should be observed in regard to these 1st class Clerkships as with the similar class of appointments in the Head Quarter Staff. No 1st class Clerk should be appointed in a city office, except to specific duties constituting a 1st class Clerkship.

Summary as respects City Offices.

Taking these recommendations affecting Postmasters, Assistant Postmasters, and 1st class Clerkships in city offices together, the establishment of the several classes of such offices should, as respects such officers, stand thus:—

1st Class City Office, where Postage collections exceed \$80,000 per annum :

	SALARY.
Postmaster.....	\$2,400
Assistant Postmaster.....	1,600
4 First Class Clerks—1 Money Order and Savings Bank... }	\$1,000 to \$1,400 as
1 Registration.....	Postmaster General
1 Chief delivery branch.....	may determine in
1 Chief mailing do.....	each case.

2nd Class City Office with collections between \$60 and \$80,000 :—

Postmaster.....	\$2,300
Assistant Postmaster.....	1,500
4 First Class Clerks, as in Class 1.....	1,000
	to 1,300 as above.

3rd Class City Office with collections between \$40,000 and \$60,000 :—

Postmaster.....	\$2,200
Assistant Postmaster.....	1,400
3 First Class Clerks for above specific duties.....	1,000
	to 1,200 as above.

4th Class City Office with collections between \$20,000 and \$40,000 :—

Postmaster.....	\$2,000
Assistant Postmaster.....	1,200
2 First Class Clerks for specific duties.....	1,000
	to 1,200 as above.

5th Class City Office with collections \$20,000 :—

Postmaster.....	\$1,200 to \$1,800	} as Postmaster General may determine in each case.
Assistant Postmaster.....	\$1,200	
1 First Class Clerk, at from \$1,000 to \$1,200		{ should Postmaster General deem duties of the office to require such appointment.

The continual growth of the business of the City Offices renders it inexpedient to at-

tempt to fix the number of ordinary Clerks required in the several offices—that must be left to be determined by the judgment of the Postmaster General, as circumstances arise.

Letter Carriers and Street Box Collectors.

Letter Carriers and Street-box Collectors are paid by fixed salary, ranging from \$300 to \$560 per annum. The extra charge made on delivery of the letters, &c, by Letter Carrier, being paid into the Revenue. The only exceptions being at St. John, New Brunswick, Hamilton, and London, where the Letter Carriers retain the fees in lieu of salary. This was formerly the practice in all the cities of Ontario and Quebec; but it was considered to have this doubtful effect—that it tended to give the Carrier a pecuniary interest in attending to some classes of letters, and some parts of his beat, in preference to others, and the system was changed in all the principal cities. As opportunity offers, the above named exceptions should be got rid of.

Only very moderate educational attainments are required for the performance of a Letter Carrier's duty; but great care should be taken when selecting for the employment, to admit none but men of undoubted honesty, sobriety, and physical capacity, and of civil demeanor. 35 should be the limit of age. The adoption of some kind of uniform would be advantageous to the service.

The following scale of salary is recommended:—

Letter Carriers, \$300 per annum on first appointment, increasing \$20 a year up to \$500 per annum.

Box Collectors, \$300 per annum on first appointment, increasing \$10 a year up to \$400 per annum.

Power was taken in the Post Office Act of 1867, to introduce in the cities of Canada, the system which has been found to work so well in England, France, and the United States, of a free delivery of all letters in cities by Letter Carriers, discontinuing as far as possible the practice of delivering at the Post Office, and obliging the public to call there for letters. Such a change would, of course, entirely revolutionize the present Letter Carrier organization, and system of window delivery.

To give full efficiency to the improved system, however, pre-payment of domestic letter postage should be made compulsory in Canada, as it is in the United States; for when Letter Carriers have to collect postage on any considerable proportion of the letters they deliver, the process of delivery is thereby so impeded, that a general delivery of correspondence by Letter Carriers could not satisfactorily be accomplished under such conditions, and compulsory prepayment becomes almost an indispensable preliminary to the introduction of the desired improvement.

RAILWAY MAIL CLERKS.

With the exception of two or three of the minor lines of road, the mails are carried on all the railways in cars, having a certain space divided off and specially appropriated to the use of the Post Office, and fitted up with all the conveniences required for the Post Office work. On the chief roads this space is 16 feet long, by the width of the car. Officers of the Post Office, called Railway Mail Clerks, travel in charge of the Railway Post Offices, and not only have custody of the mails under conveyance, but receive, sort, and distribute mails whilst the train is in motion, as in an ordinary Post Office. Correspondence is greatly accelerated by this system. Seventy clerks are thus employed in Ontario and Quebec, and the system is being extended to the railways of Nova Scotia and New Brunswick. The work has so much increased in these travelling offices, that on the main sections of the Grand Trunk and Great Western roads, two clerks travel with each train.

Railway Mail Clerks are paid and classified upon the following scale :—

CLASS.	On appointment to Class.		After 2 years' service in any class of Railway Mail Clerks.		After 5 years' service in any class of Railway Mail Clerks.		After 10 years' service in any class of Railway Mail Clerks.	
	Day duty.	Night duty.	Day duty.	Night duty.	Day duty.	Night duty.	Day duty.	Night duty.
3rd Class.....	\$480	\$600	\$520	\$640	\$560	\$700	\$640	\$800
2nd Class.....	600	720	640	800	720	880	800	1,000
1st Class.....	720	880	800	1,000	880	1,100	960	1,200

This scale was adopted by the Department on the first organization of the Railway Mail Clerk system in 1855, and was embodied in the Civil Service Act of 1857. It has been found open to this objection in practice, that it does not make any part of the compensation to depend as it might with advantage do, on the actual amount of work or of days duty performed. It is recommended that this defect should be amended, by the substitution of the subjoined scale :—

Scale recommended for Railway Mail Clerks :—

	Annual Salary.	Mileage Allowance for actual service performed.
Probationary Class (In which to serve one year, unless there has been at least one year's service in some other branch of the Department)	\$360	None.
3rd Class	\$300, rising by \$20 a year to \$400.	One cent per train mile, if by Day Train ; two cents if by Night Train.
2nd Class	\$400, rising by \$20 a year to \$600.	do
1st Class	\$600, rising by \$40 a year to \$800.	do

In this scale a considerable portion of the annual earnings will depend upon the number of miles travelled at work, and supposing a fair average of work to be performed, the result will not differ materially from the salaries paid under the existing scale, except that the entering salary for the first year will be \$360 instead of \$480.

FOREIGN MAIL SERVICE.

Under the authority of a convention between Great Britain and the United States, the Mails which pass between Canada and the United Kingdom *via* New York, are accompanied through the Territory of the United States by Canadian Mail Officers for whom free conveyance is provided by the United States.

Four Officers are thus employed on the New York routes, and a fifth is detailed to superintend the transit of the Mails to and from the Canadian Packets, at Portland in Winter and Quebec in Summer.

Two of these officers are paid as ordinary Railway Mail Clerks with a special per diem allowance of \$2.50 for such days as they may be absent from Canada on this duty,

and the other three have a fixed salary of \$1,100 a year without any per diem allowance under an old scale of salary appropriated to this particular service. All Officers hereafter appointed should be classed as ordinary Railway Mail Clerks with a per diem allowance as above.

POST OFFICE INSPECTORS.

There are 7 Inspectors now on the establishment.

<i>District.</i>	<i>Head Quarters.</i>
1.—Nova Scotia.	Halifax.
1.—New Brunswick.	Fredericton, should be St. John.
1.—Quebec West to Three Rivers.	Quebec.
1.—Do Three Rivers, West to Ottawa River.	Montreal.
1.—Ottawa River, West to Cobourg.	Kingston.
1.—Cobourg West, to Hamilton.	Toronto.
1.—Hamilton to Western limit of Dominion.	London.

The Inspectors are paid a fixed salary of \$2,000 per annum and receive when travelling an allowance of \$2 dollars per diem, and 10 cents per mile for each mile off railway and steamboat routes where the Department can give free conveyance.

This is a most important class of Officers. In fact, the satisfactory working of the machinery of the Post Office service generally must always depend largely on their zeal and efficiency.

The immediate supervision of the performance of Mail service by the Contractors and Couriers all over the country is in their hands, for this requires local knowledge and facilities for quick reference and enquiry.

For the same reasons the Railway Mail Clerk service is under the Inspector's superintendence; also the general management and direction of the distribution and circulation of correspondence; they direct where and how Mails should be made up, &c., &c.

All questions concerning new Post Offices and Post routes, and alterations affecting those existing, are examined into by them, and whatever may be authorized, in respect to such matters, carried into practical effect by them.

All ordinary Postmaster's Bonds, and Mail Contracts are drawn up by them, and they are responsible for the due execution of such instruments.

They conduct, in a measure judicially, with the aid of local Magistrates, enquiries into public charges made against Postmasters.

Inspectors see to the collection of arrear accounts, transfer the charge of a Post Office when a change of Postmaster takes place; enquire into all cases of mail robbery, or of loss of letters, and attend to a multiplicity of other duties, of a more or less important and troublesome character.

Theoretically an Inspector should periodically visit and inspect all the Post Offices in his District; but the various duties above sketched out so engross his time, that for some years past inspection of the country offices upon any regular system has been impracticable; and yet it should be an essential feature in any well organized Post Office administration.

It is recommended to strengthen this branch of the service by the appointment of a class of Assistant Inspectors, specially charged with travelling duties in connection with the inspection of offices, and having their compensation dependent, to a considerable extent, on the amount of such duty performed.

Further, the general expansion of the service, and the increase in the number of the Inspectors, render it very desirable that the Department should have the services of a Chief Inspector, stationed at Head Quarters, with authority over all the Inspectors and their Districts; to be available when the conduct of an Inspector or chief City Postmaster is in question; to promote uniformity in the management of the duties confided to the several Inspectors, especially in the Railway Mail service, and generally to carry the authority of the Department over these Officers to the immediate sphere of their action,

in a manner which cannot in all cases be satisfactorily achieved, either by correspondence or by summoning them to Head Quarters.

Scale proposed for Inspectors :

	Fixed Annual Salary	TRAVELLING ALLOWANCES.	
		Per diem when absent from his Station.	Mileage off Railways and Steamboat routes where conveyance is free under authority of Department.
Chief Inspector.....	\$2,400	\$3 00	12 cents per mile.
Inspectors.....	\$1,600 to \$2,000	2 50	12 cents do
Assistant Inspectors.....	\$800	3 00	12 cents do

Clerks in Inspectors' Offices.

There are 25 Clerks at present serving in the several Inspectors' Offices, engaged in the clerical labors connected with the various duties described as allotted to the Inspectors.

One Clerk on the average is occupied in each Inspector's Office in checking the accounts of the daily exchanges of Mails by the Railway Mail Clerks, the returns of the registered letters passing daily through their hands, &c., &c.

These Clerks have hitherto been classified under the ordinary Civil Service scale of 1857, as respects Ontario and Quebec, those employed in Nova Scotia and New Brunswick were taken from the establishment of the Post Office Staff in each Province, and were under no fixed rule as to rank and salary.

It is recommended that the scale herein proposed for City Post Office Clerks should be applied to Inspectors' Clerks with certain modifications, 1st, that the salary of the entering or probationary year should be \$300 ; 2nd, that, as respects first class clerks, the Postmaster General should be at liberty, as he may see fit, to constitute not exceeding one First Class Clerkship in an Inspector's Office ; to be filled by the principal Clerk in such Office with a salary of from \$1,000 to \$1,400 per annum, as he may determine in each case.

OCEAN MAIL SERVICE.

A Mail Clerk sails with each weekly voyage of the Canadian Ocean Mail Steamships. Seven clerks are employed on this service, each taking his regular turn of duty, averaging about $7\frac{1}{2}$ round voyages to each yearly.

In each steamship there is a Post Office room conveniently fitted up with sorting apparatus, &c., for Post Office work. The Mail Officers receive and give acknowledgments for all mails put on board, and account for the delivery of the same at either end of the voyage, furnishing Returns and Vouchers from which all this business can be verified. They sort the mails whilst on the eastward voyages for all the chief towns of the United Kingdom, and coming westward do the same as regards the newspaper portion of the mails, and we are informed that measures are in progress for extending the same advantage to letters.

The Ocean Mail Clerks are paid under the following scale :—

CLASS.	On appointment to class.		After two years service in class.		After five years service in class.	
	Annual Salary.	Allowance for each round voyage performed.	Annual Salary.	Allowance for each round voyage performed.	Annual Salary.	Allowance for each round voyage performed.
Second class.....	\$360	\$50*	\$420	\$50	.....	.....
First class.....	480	60	540	60	\$600	\$60

* Only half this allowance is paid whilst an Officer is learning his duty and until he can take charge of a ship's mails alone.

It is recommended that this scale should continue in force.

The Ocean Mail Officers are required to provide themselves with uniform of a certain prescribed pattern.

OUTSIDE SERVICES UNDER THE CUSTOMS DEPARTMENT.

PORTS OF THE DOMINION, STAFF, MANAGEMENT, EXPENDITURE, &c.

Number and Distribution of Ports of Entry.

Under the existing arrangements of the Ports of the Dominion, the administration of the Customs Department embraces the control and management of 180 Ports of Entry.

Of these 180 Ports there are—

1. In Ontario, 53, collecting (1867-68).....	\$2,222,877
2. " Quebec, 18, " "	4,577,358
3. " Nova Scotia, 79, " "	1,129,007
4. " New Brunswick, 30, " "	888,404
	<u>\$8,817,646</u>

From Ottawa, the Capital, as a centre, to Sidney, (C. B., N. S.,) which is the remotest Port on the East, the distance is about 1,150 miles, and to Sault Ste. Marie, the remotest Port on the West, about 600 miles by the route of the Northern Railway and Collingwood, but the distance is upwards of 800 miles by railroad, *via* Sarnia, and scarcely less than 900 by the lakes. Thus, the shortest distance by travelled routes between the extreme Ports mentioned would be more than 1,700 miles. Sidney is in long. 60° 15' W., Sault Ste. Marie, 48° 30' W., a difference of 25 degrees of longitude of the average central parallel of 46° of Latitude.

The Ports in Ontario are almost wholly situated along the extended line of the frontier of that Province, on the great lakes and other navigable inland waters which divide Canada from the United States.

In the Province of Quebec, the chief Ports are on the River and Gulf of St. Lawrence; but most of the minor ones occupy positions on the line 45°, which, between St. Regis and Connecticut River, a distance of about 160 miles, constitutes the Canadian Boundary. In the Maritime Provinces, all the Ports, with the exception of three or four in New Brunswick, are open more or less to direct communication with sea-going shipping, although many, if not most of them, and especially in Nova Scotia, are resorted to by fishing vessels and small craft only.

Effects of Railways on Customs management.

The construction of railway lines crossing our frontier, and connecting our large cities with the great commercial marts of the United States, and indeed, in winter, with European markets, introduced new channels of commerce, which opened quite a novel phase in the administration of the Customs laws.

It became at once obvious that the simplest way of dealing with this new state of things, was to treat a freight car as you would a ship, and require manifests of contents and reports inwards as to destination. The system of securing the goods imported by rail, by putting Customs Locks on freight cars as they arrived at the frontier, immediately followed, and a series of regulations governing importations, the examination of passengers' baggage, the through transit of goods and passengers, exports, &c., were drawn up by the Commissioner and his then Assistant, Mr. Worthington, submitted to the Executive and sanctioned, and these Regulations, modified and extended from time to time, as experience and the exigencies of the service required, appear to have worked very satisfactorily.

One of the results of the opening of these great railway avenues of commerce, was the applications from numerous towns, and even villages, on the Grand Trunk, the Great Western, and other railway lines, to be erected into Ports of Entry and Warehousing Ports; and thus we have the Ports of London, Woodstock, Guelph, Stratford, Paris, and several out-ports, such as Galt, Peterborough, St. Armand, and a few others.

The normal functions of Ports of Entry unquestionably point to the frontier of a country as the local position which such Ports should occupy, and there is no doubt that the restriction to Sea Ports and Frontier Ports of the entry of importations and the collection of Customs duties would reduce the cost of Collecting the Revenue and simplify the business of the Department, besides probably reducing the chances of loss to the Revenue from frauds. But the first step towards a deviation from that restriction is to be found in the laws existing before the construction of Railroads in this country, which laws permitted then, as they do now, that goods, arriving at a Frontier Port, might be forwarded to the Port of destination for entry and payment of duty. This was suggestive of the creation of Inland or interior Ports, and the opening of Railroads did not fail to invite the establishment of an additional number of such Ports. It would be difficult, if not unjust, to withdraw from London, and the other interior railroad Ports mentioned, the privilege they enjoy as Ports of Entry; but it is certainly unadvisable that any addition should be made to the number of such Ports, except perhaps in cases in which the population and trade of a place would, like the City of London, Ontario, be of a magnitude to warrant its being erected into a separate Port of Entry.

Classification of Ports.

A classification of Canadian Ports was made in 1845, wholly upon the basis of the collections. This, however, was found unsuitable to the state of things some years later, and in 1851 another classification, based upon the business more than the collections of the Ports, was adopted. This was in turn superseded by the schedule to the Civil Service Act of 1857, in which the Ports were again classed as in the first instance, exclusively with reference to the amount of collections.

One of the omissions of the schedule referred to involved some difficulty in its application, for whilst the minimum and the maximum were stated with reference to the collections in each class, no corresponding rule was laid down with regard to salaries, the amount of which appears to have been fixed with reference to the maximum only.

Where, as in Canada, many Ports are so situated as to entail considerable labor on their officers without any corresponding evidence of that labour in the amount of the Revenue collected, a classification of Ports, when such a thing is at all necessary, should, as far as possible, be framed to meet those cases, and to provide for the special circumstances of such Ports.

On our extended frontier, several Ports are in direct communication with populous American Cities and Towns, such as Windsor and Sarnia, opposite Detroit, and Port Huron and Prescott, opposite Ogdensburgh. At these Ports ferries keep up a constant intercourse with the American shore, steamboats and river craft frequent the Port, and railroads bring them, if not a large local traffic, at least a large transit business, and railway manifests must be

received and endorsed and the freight cars secured under Customs' lock or seal. Little or none of this work is productive of revenue at the particular Port, and hence the mistake of assuming the amount of collections as the only basis to govern the salaries of the officers at such Ports.

An attempt has, therefore, been made to meet the case by ranging Ports *First* into *Orders*, and *Secondly*, by dividing each Order into *Classes*, as shown in the annexed schedule (A). The Orders, which are designated by letters, are intended to provide such denominations for the Ports as are indicative of the channel or channels through which trade may reach them. Hence we have :—

Order A.—Sea Ports, (*e. g.*, Quebec).

“ B.—Inland Water and Railway combined Ports, (Toronto).

“ C.—Inland Water Ports, (Dover).

“ D.—Railway Ports, (London).

“ E.—Inland Ports, (Russelltown).

“ F.—Out-Ports or Bays or Preventive Stations.

By this arrangement any Port may be at once ranged under the Order to which it belongs, and the scale of the Class in that Order to which its collections adapt it may be applied. (*Vide Schedules A, B & C.*)

Reduction of the number of Independent Ports of Entry.

It has been for some years the policy of the Department to contract the number of Ports of Entry, by reducing a certain number of the minor Ports to the rank of Out-Ports, and the Department has recommended that in furtherance of that policy the changes mentioned in the annexed Schedule (B), be carried out.

By the proposed arrangement the whole number of Independent Ports of the Dominion would be reduced from 180 to 99, the remaining 81 Ports being placed in the category of Out-Ports, Bays or Preventive Stations, and put under the survey of such of the independent Ports as are nearest to them, or are most convenient of access (*Vide* Schedule last referred to.)

Staff of Officers &c., at the Ports.

The aggregate Staff of Officers, Clerks, and Employés of all grades employed in the Customs Service at the various Ports of Entry of the Dominion, ranges from 800 to 820; it is now 816.

Of this total number there are employed at Ports :—

In Ontario.....	224
“ Quebec	310
“ Nova Scotia.....	181
“ New Brunswick.....	101

The Salaries of the whole of the Staff, which includes a numerous class of Tidesmen and others at the large Ports who receive per diem wages, added to miscellaneous expenses for printing, stationery and contingencies, amounts to about \$486,000, representing the cost of collecting the Customs Revenue of the Dominion in 1867-68 equal to 5.3 per cent. In the United Kingdom the cost of collecting the Revenue from Customs, is about 3½ per cent., a percentage which would be considerably increased, if the Coast and Land guard for the prevention of smuggling, were included as incident to the cost of collecting the Revenue.

Salaries.

A Revision of the Salaries of the permanent Officers of the Service at the various Ports leads to the conclusion, that there are comparatively few cases in which the salaries now paid are much in excess of what the services performed would entitle the incumbent to, due regard being had to the duties attached to the situations; whilst at some of the Ports, the principal Officers and Clerks are considered to have lower salaries than the importance and responsibility of their respective positions entitle them to, and the scale now proposed is intended to provide for such cases.

Contingencies.

At all the Ports, whether large or small, certain contingent expenses must necessarily be incurred; for this branch of expenditure it has been found very difficult to establish any rule that would work quite satisfactorily. The Rules laid down by Act of Parliament for Departmental contingencies will scarcely apply to such cases, and owing to the diversity in the rank of Ports nothing beyond a designation of what is allowed to figure in the contingent accounts appears to be feasible.

Office rent and fuel, Stationery and Postage are the only items which, under ordinary circumstances, are admitted to appear in the quarterly accounts. The rent is usually settled before hand; but the amount of the postage, and the quantity of the fuel and stationery, necessarily vary according to the class to which the Port belongs, and each case must be disposed of upon its own merits. But at some Ports in addition to these usual items there are others, such as expenses in visiting Out-Ports, or a charge for lights during winter months, &c., these also, it would be difficult to reduce to a General Rule.

It would therefore seem that the system now adopted for the contingent accounts, which requires that every item should be supported by a voucher, and the whole account sworn to as containing a true statement of expenses incurred and disbursements made *bonâ fide* for the public service, is perhaps the only one that is practicable. As regards stationery all Collectors are now held to send in a requisition before the end of one year for the stationery they may require during the year ensuing, and the Department, when it is deemed necessary, takes the opinion of the Inspector of Ports upon this and other items of the contingent account; but the establishment of a stationery office at Ottawa will in all probability lead to a somewhat different mode of management.

Seizures.

The net proceeds of seizures made upon the discovery of frauds, or other infractions of the Customs laws, are divided under the authority of an Order in Council into three equal parts, one of which is paid into the Treasury as the Crown's third, another goes to the seizing officer, and the remaining third is paid to the informer; but if there be no informer the seizing officer gets two-thirds. The seizures made at large Ports through the Examining Warehouse are dealt with somewhat differently under a more recent Order in Council. The seizures are always the result of an examination of the goods at the Examining Warehouse, and the appraiser is therefore considered as entitled to one share as official informer; should he have under him assistant appraisers who may have been the first to discover the fraud, such assistants are entitled to a proportion of the appraiser's third varying according to the number of the assistants—if but one he gets one-half; if two, or more, then two-thirds of the appraiser's third, is divided equally amongst them.

As to the seizing officer in such cases, at Montreal, he is considered as acting by the orders and on the behalf of the Collector who, as his salary exceeds \$1,600, is not allowed to share in the proceeds of any seizures at his Port, and the seizing officer's share goes to the credit of a reserve fund from which meritorious officers at the particular Port may be rewarded, or disabled officers assisted, as may be directed by the Head of the Department or by order of the Governor in Council. It would appear proper that this rule should be extended to all Ports where the Collector's salary exceeds \$1,600, and in all cases, instead of the Collector's third being placed in a reserve fund as at present, it ought to be paid in to the Receiver General and be paid out on warrant issued on an order in Council or Departmental order, as may be thought expedient. The present amount held by the Collector of Montreal in such a reserve fund is only \$714.48, but it would be more proper that it should be paid in to the Receiver General.

Penalties.

Penalties, as contradistinguished from forfeitures, are declared by the law to belong to the Crown. There is, however, a class of Penalties or fines, which are almost invariably assigned to the officer through whose diligence the infraction of the Customs laws was discovered.

The present Customs Act provides that if any package an enclosure of goods be found,

not mentioned in the invoice of that package, such goods shall be absolutely forfeited; but the Minister of Customs may, if he sees ground to do so, release the goods from forfeiture upon the payment of the duties and of such a penalty as he may see fit to impose.

This is also done when seizures are released upon the importer showing some extenuating circumstances in the case, that induce the Department to mitigate the severity of the law, by releasing the seizure upon condition that, besides the payment of duties, the offender do pay a stated fine, the amount of which is governed by the facts of the case, and is left to the discretion of the Minister of Customs. The fines in these several cases are uniformly paid, through the Collector, by order of the Department, to the officers through whose diligence enclosures referred to were discovered or the seizure made. As we stated in our previous report, no account of such fines appears in the public accounts. This ought to be amended and all fines and seizures ought to be paid to the Receiver General, and the forfeitures paid to any Customs Officer should be paid by warrant.

Appraising Department.

Under an *ad valorem* Tariff, the examination and appraisement of goods is a branch of the Customs demanding primary consideration. At the large Ports, and especially at Montreal, where nearly one-half of the whole Customs Revenue of the Dominion is collected, the organization of that Department has received particular attention, and there is reason to believe that the scrutiny of goods on importation has been conducted with most satisfactory diligence at those ports generally. All the ports are supplied with the New York Prices Current, and the ports of Quebec and Montreal, as being in direct communication with Europe, with the prices current at Marseilles, Bordeaux and Hamburg. These should also be furnished to Halifax and St. John.

At the minor ports, the law has assigned to the Collectors the duties of appraisers, and it is considered that the amount of the importations at those ports respectively, would not warrant the expense which the appointment of appraisers would entail. The eight ports (Hamilton, Toronto, London, Kingston, Montreal, Quebec, Halifax, and St. John,) at which appraisers are appointed, collect an aggregate of \$8,133,924 out of \$8,817,646 or about 93½ per cent. of the whole Customs Revenue of the Dominion, leaving about \$684,000 to be collected at the remaining 172 ports.

It is to be observed that at the three Ports of Montreal, Quebec and Toronto there are certain charges made at the Examining Warehouses, from which part of the cost of the establishment is defrayed. At Montreal in 1867-8 the receipts were \$11,057.83 and the expenses \$14,763, of which the balance of \$3,705.43 only appears in the public accounts. At Toronto the total receipts were \$2,864.95, and the expenses \$2,315.92, and \$400 was paid in to the Receiver General, which is all that appears in the public accounts. At Quebec the receipts also exceeded the expenses in 1866-67 by \$393.22 which was deposited, but no account has been rendered. In all such cases the whole of the receipts should be paid in to the Receiver General, and all the expenses should be paid in the usual way.

It appears, when goods are examined in the Examining Warehouse, and the invoices are sent there to be compared with the goods, that the invoices remain on file in the Examining Warehouse. The quantities and prices are there checked, but in the hurry of passing entries the invoices cannot be sufficiently examined then, and frauds have arisen from this cause. We think that the invoices ought always to be sent back to the Custom House to be checked there with the entries.

Warehouses.

The Regulations under which the existing Customs Warehouses were established, were sanctioned by an Order in Council of the late Province of Canada, 30th March, 1850, under the authority of the 10th and 11th Vict., cap. 31.

These Regulations made the Landing Surveyor and Warehouse Keeper the judge of the sufficiency of the security and fitness of the Warehouse offered for the purpose intended, and the Collector prescribed certain formalities to be complied with by the proprietor or occupant, and the Warehouse was established without reference to the Department. Under the Act referred to, 21 ports were specially named as Warehousing Ports, but many others were subsequently added to the list, by Order in Council.

At the large Ports, the number of private Bonding Warehouses that were established under these regulations gradually increased, until we find that there are now in Montreal, 192; in Quebec, 39; in Toronto, 66; in Hamilton, 35; and at minor Port in proportion.

The existence of so large an aggregate number of Bonding Warehouses did not fail to attract the notice of the Department, and the attention of the Inspector of Ports was directed to a careful examination into the security of the Warehouses themselves, and into the manner in which the goods warehoused were dealt with, and the actual contents of the Warehouses checked and verified.

The enquiries of the Inspectors have certainly shewn that at some of the Ports great carelessness and irregularities existed, and that Warehouse Regulations in regard to the supervision of the goods in Bonding Warehouses were not enforced; but it does not appear from their Reports, which cover a period of 12 or 15 years, that any losses worth mentioning have been sustained by the Treasury, through the fraudulent abstraction of goods from the Queen's Warehouses, if we except two or three cases, reported from the Port of Montreal. These cases, however, point to the necessity of a revision of the Warehouse Regulations, with a view of providing greater security in the buildings themselves, or the portions of, set apart as such, and in the method in which the goods should be stored in them for facilitating inspection.

The existing system of bonding goods in Private Warehouses, has the sanction of the greatest commercial nations in the World, and under proper regulations stringently enforced, it is perhaps the best that can be followed. The scheme of making the Government the Warehouse Keeper of the Trade of the Country by its building extensive Warehouses, is one which has been suggested, but it is believed abandoned, not only as involving enormous expense but great inconvenience, trouble and responsibility. An approximative computation, made for the Port of Montreal alone, shews that about 211,000 square feet of storage room, including cellarage, would be required for the Warehousing business of that City; this would represent a building, say three stories high, fifty feet deep and 1,055 feet long.

There is no doubt, however, that stacks of Bonded Warehouses, such are to be found in Boston and elsewhere, owned by Joint Stock Companies, would offer greater facilities of supervision on the part of the Customs, and effect a very considerable saving by reducing the numbers of lockers employed. It would, therefore, be desirable that the construction of warehouses upon a similar scale and principle in our commercial Cities, either through individual capital or by Joint Stock Companies, should be encouraged, as far as consistently can be done by the Government. This encouragement could not extend to the suppression of private Bonded Warehouses, but the new regulations, by the increased security which they would require in the buildings offered as Warehouses, would tend to diminish the number of this last class, and favor the former, the sufficiency of which in every respect would, it is assumed, warrant their being accepted by the Department as approved Bonding Warehouses. As a further discouragement of private bonded warehouses, any person applying to have a private warehouse might be required to pay a sum sufficient to cover the wages of the locker attached to it.

Under the former Act in England, and by the Canadian Act, a transfer book was kept of goods in bond, shewing all transfer from one person to another of such goods. This appears to be no longer the case in England, and we see no necessity for complicating the transactions by continuing the practice here. If the Government were the owner of the bonded warehouse, it would necessarily be responsible that the goods, when duty is paid, were delivered to the proper owner; but as it is, the Government has only to receive the duty and order the goods to be taken out of bond, and it is clearly the business of the owner of the warehouse to see that the proper individual receives the goods.

Instructions to Officers.

During Mr. Dunscomb's incumbency of the Office of Commissioner of Customs, instructions to the Officers of Ports were prepared, printed and distributed, but (with the exception of instructions to Preventive Officers, issued 1859) these have not been renewed; they are now out of print, and should be revised and amended, a work which has been for some time contemplated, and for the preparation of which the most recent instructions of a corresponding character now used in England have been procured, which may, from the general

similitude of the Customs practice of both Countries, materially aid in perfecting the new instructions to be issued.

Copies of the Customs Acts themselves, however, of all Council and Departmental Orders and Regulations and Departmental Circulars, are sent to all the Ports of the Dominion, and these have hitherto in a great measure, supplied the want of a renewal of the printed Instructions.

When such a book of instructions has been prepared, every officer of the Customs should be required to carry a copy of it always about him. It would also have a wholesome effect if all officers below the rank of landing waiters were required to wear a distinguishing uniform.

Registry of Ships.

The Registry of shipping in the Dominion is a subject requiring immediate consideration, the laws and rules which govern it being different in the several Provinces: for instance, in Ontario, the Act of the late Province of Canada, 22 Vic., Chap. 41, entitled "An Act respecting the Registration of Inland Vessels," is exclusively followed, but in the Province of Quebec, both the Provincial Act cited and the Imperial "Merchant Shipping Act, 1854," are resorted to as the rule of measurement and Registry. In Nova Scotia and New Brunswick the Imperial Act alone is considered as being in force. At the Port of Quebec all vessels, whether sea-going or river craft, are registered under the Merchant Shipping Act, and so also in Gaspé, New Carlisle and Amherst. In Montreal sea-going vessels only are registered under that Act, whilst the inland vessels are registered under Provincial Acts.

Besides the confusion which this creates in the application of the rules which should govern the subject, it is open to the still greater objection of giving two different rules of measurement for the tonnage of ships, the Provincial Act having adopted the rules of admeasurement prescribed by the Imperial Act of 1845, which rules have been superseded by those of the Imperial Act of 1854.

Moreover, by the Imperial Merchant Shipping Act, the Governor or Lieutenant Governors act as Commissioners of Customs, and have to decide some points in connection with the registration of shipping; and doubt has been raised whether these powers are vested in the Governor General or the Lieutenant Governors of the Provinces. It appears also that fees are charged in Nova Scotia and New Brunswick where none are allowed in Ontario and Quebec.

It is therefore, very desirable that the existing laws for the registration of shipping be revised, with a view of establishing not only a uniform rule for the admeasurement of ships throughout the Dominion, but a uniformity in the laws and practice as to the registration of shipping generally, and it is to be hoped that such a measure may be passed in the approaching Session of Parliament, and that steps will be taken to obtain the recognition in Great Britain of the registration of ships effected under the law to be so passed, as equivalent, so far as nationality is concerned, to Registration under the Imperial Merchant Shipping Act, 1854.

Coasting.

Our internal and frontier navigable waters, added to our sea coast on the Gulf of St. Lawrence, the Atlantic Ocean and the Bay of Fundy, present an extent of coast which few countries, if any, in the world possess. A rough estimate of the Canadian shores of the great navigable waters and marine coasts referred to, would give about 10,000 statute miles of coasting in the four Provinces constituting the Dominion of Canada. The internal traffic by water (to say nothing of the traffic by land through the facilities afforded by railroads), of so vast a line of communication, must necessarily be difficult if not impossible to compute with any thing like accuracy, from the fact that many of the craft or vessels carrying on this internal traffic would be leaving and going to places at which there were no public officers, through whose ministry such traffic could be recorded. Nevertheless, an attempt has been made to overcome this difficulty by requiring that coasting vessels should keep cargo books. There is reason, however, to apprehend that even this device (which is borrowed from Great

Britain) can yield but imperfect statistical results, and it is considered that, at least for the present, the official statistics of the coasting trade should be directed to the following objects only:

1st. The number of Vessels and Craft of all kinds, engaged in the coasting trade, distinguishing the number of each class of Vessels and the tonnage.

This could be ascertained with something like certainty by rigidly enforcing the Licensing system required by the existing Coasting Regulations.

2nd. The inter-provincial trade; that is, that an account should be kept as now provided for by the Coasting Regulation, of the traffic between the several Provinces. This could be achieved by simply insisting upon Vessels passing out of one Province into another, complying with the Regulations; the Masters furnishing the Collector at the first Port of arrival in the Province of destination, with a copy of the manifest, or if it be a small Craft or Boat, making even a verbal Report at the Custom House of the contents of such Craft or Boat.

The Collectors of the several Ports of the Dominion should be respectively furnished with a suitable Book to record this inter-provincial trade only, unmixed with the record of any local trade.

Inspection.

In all Departments that have out-lying branches or Officers, the importance of inspections cannot be overstated. Independently of its being a constant check against frauds upon the Revenue, it secures attention and fidelity in the discharge of the public duties of the Officer, and imparts uniformity of views and action in the management of the business of the Department. In no Department of the Public Service are those inspections more necessary than in that of the Customs, and it is considered that the sphere of action which such inspections now embrace calls for a corresponding increase in the means of efficiently performing that service.

There is now but one Inspector of Ports, whose duties extend to all the Ports in Ontario, and Quebec. It is impossible that one Officer, however diligent and zealous he may be, can make his inspections as frequent and thorough as they should be, when he has seventy-one Ports to visit scattered over so large an extent of country. It is therefore proposed that the the Dominion as at present constituted should be divided into three inspecting Districts, viz:

1st. A central District, to comprise all the Province of Quebec, with the Ports in the northern part of New Brunswick, from Dalhousie round to Chatham and Newcastle.

2nd. A Western District, to include the whole of the Ports in the Province of Ontario.

3rd. An Eastern or Maritime District, to embrace the whole of the Province of Nova Scotia and those Ports in New Brunswick not forming part of the Central District.

Each Port should be regularly inspected twice a year, but at unstated periods, and it should be the duty of each Inspector, before leaving the Port he has inspected, to mail to the Department then and there a Report of such inspection, stating the date of his arrival at such Port, and in a brief form whenever there is nothing special to which the attention of the Department is to be called, and the state of the accounts, the condition of the Port as regards management.

Once at least a year, say on the first Wednesday in February, the Inspectors should meet the Commissioner at Ottawa to confer together upon all matters touching the interests of the service at the Ports in their respective Districts, and to compare their views and instructions on certain points of practice, in order that any difference that might be found to exist upon such points should be corrected, and uniformity established.

Classification of Ports.

We have already stated the principle upon which it is proposed to classify the Ports and we append Schedules A., B., and C., shewing that classification. We must however observe that any such classification must, of necessity, be very imperfect. The amount of duties collected have been selected as the simplest test of the importance of a port within its order, and the orders themselves take cognizance of some of the features which affect the amount of labor and responsibility devolving upon ports, which, by the test of duties alone, would stand on the same footing. The definition of these orders, however, does not by any means include all local peculiarities which make the work at one port more onerous than at another, and within the orders themselves the amount of duties collected, upon which the classes

are based, necessarily range within very large limits. Of two ports, for instance, in the same order, and collecting nearly the same amount of duty, almost all the goods entered at one may pay duty and go into consumption there, whilst the majority of those entered at the other may go forward in bond, and may not be at all represented in the duties collected, which determine its class; and at two ports in the same order and class one may collect \$30,000 and another \$190,000. In our schedule, therefore, we have been obliged to leave a considerable margin between the maximum and minimum of salaries, and we have assigned the class of officers who may be required in the larger ports of the division, without intending it to be understood at all the smaller ports of the same class the whole of them may be necessary. Our scale can in short be only taken as an approximate one, and an indication of the degree in which the several elements, which together form the basis of the classification, should affect the staff and the salaries. The application of the scale, within the limits defined, to each port, must necessarily be left to the discretion of the Department. We think, therefore, that proceeding upon this basis, and taking into account all the circumstances in each case, the Department ought at once to assign a staff to each separate port, and that a statement should be submitted to Parliament with the estimates of the year, showing for each port the duties collected, number of entries inwards and outwards, number and tonnage of vessels, &c., and other details from which its importance can be estimated, followed by the staff and salaries, and contingencies assigned to it. In each succeeding year a similar statement should be submitted, shewing the same particulars, with a comparison of the same items as they stood in the previous year, and with remarks shewing in the first of such statements how the existing salaries differ from those proposed to be established, and hereafter the reasons for any proposed changes.

We believe that the responsibility of making these recommendations in detail rests more with the Department than with us; but we desire to point out some of the reasons which render a thorough revision of the establishment necessary. The scale of salaries, and the number of persons employed in Ontario and Quebec, often differ very materially from those in Nova Scotia and New Brunswick, for ports of the same class. The establishment in the former is as a rule much more expensive than that in the latter. They ought to be assimilated, but it does not follow that all the salaries in Nova Scotia and New Brunswick should be at once raised and additional officers appointed, nor that the salaries in Ontario and Quebec should be at once lowered and some of the staff dismissed. Existing interests in the one case should be respected, whilst, if additions either to salaries or to numbers are found necessary, they should be gradually but not lavishly made. It should be constantly held in view to establish uniformity of action in all parts of the Dominion, but it must almost necessarily be gradually introduced. It is also to be observed that in Nova Scotia the system has prevailed of paying Customs officers partly or wholly by a percentage on collections. This system will now be changed, and will introduce a further complication in comparing the remuneration formerly paid with what it will be for the future.

Besides this difference in the practice of the several Provinces, there are great differences in the cost of ports in Ontario and Quebec, which are otherwise very similarly situated. This has, in a great measure, arisen from the great number of old men in the service, which has necessitated the appointment of persons to assist them, who under other circumstances would not have been required. It does not, therefore, by any means follow, because for this and other reasons a certain staff is now found at some ports, that the theoretical classification is to be accommodated to existing facts. The circumstances of each individual port should be maturely considered in detail, and its establishment should be accommodated to what is theoretically considered necessary, as soon as circumstances should permit.

Upon a comparison of the cost of particular ports in successive years, it will appear that there has in some cases been a very great increase, and it appears to be incumbent upon the Department to make a very close inquiry into the cause of, and the necessity for, this increase. As the most important, both in the amount and the ratio of the increase, we would particularly instance the port of Montreal, of the comparative cost of which in different years we append an analyzed statement, extracted from the Public Accounts, and for the purpose of further comparison we have also added an analysis of the port of Quebec for the same years, and of Halifax and St. John for 1867-68.

Comparative Expenses at Port of Montreal.

	1861.	1864-5.	1866-7.
	\$ cts.	\$ cts.	\$ cts.
Collector, Surveyor and Assistant.....	6,440 00	5,884 25	6,125 82
Landing Waiters, Tide Surveyors, &c., including Rouse's Point, Longueuil, &c	10,296 84	12,240 00	11,975 00
Clerks.....	6,550 00	8,673 88	9,800 00
Appraisers, Lockers and Weighers, including excess of expenditure of examining warehouses.....	4,981 84	10,688 46	17,085 84*
Tide Waiters.....	17,360 17	21,020 51	32,971 00
Rent, Office Contingencies, Messengers, and Sundries.....	5,033 42	4,782 86	5,835 75
Total.....	50,662 27	63,289 96	86,793 41
Total duties collected.....	2,393,486 69	2,430,594 07	4,211,305 63

Quebec.

	1861.	1864-5.	1866-7.
	\$ cts.	\$ cts.	\$ cts.
Collector, and Surveyor, and Assistant.....	6,680 00	6,680 00	6,680 00
Landing Waiters, &c	9,413 90	9,473 99	9,899 00
Clerks.....	7,473 32	7,867 50	9,809 26
Appraisers, &c.....	4,840 00	4,865 00	8,190 00
Tide Waiters, &c.....	12,761 00	10,737 00	11,749 00
Rent, Contingencies, &c., including boat.....	8,392 91	7,414 87	9,551 31
Total.....	48,566 13	47,038 31	55,978 57
Total duties collected.....	494,103 16	606,020 90	515,065 30

* The gross cost of the Examining Warehouse was really \$10,000 more, the balance being paid out of receipts.

	St. John.	Halifax.
	\$ cts.	\$ cts.
Collector and two Senior Officers	4,500 00	4,200 00
Landing Waiters	2,700 20	6,370 58
Clerks	4,880 26	8,708 03
Appraisers	1,673 75	487 66
Lockers.....	3,500 00	} 21,545 10
Tide Waiters.....	4,949 48	
Contingencies and extraordinary expenses.....	3,593 68	1,942 27
Total.....	25,802 17	43,253 64
Total duties collected		

If, for instance, we compare Quebec and St. John, two ports which either upon the basis of duties collected or of shipping, are almost upon a par, St. John does not cost upon the whole, half of what Quebec costs, and the same difference runs through almost every item in the account. Even if the appraising branch were increased at St. John the difference would remain most marked, and would indicate that the salaries and staff should be increased, or those of Quebec diminished, and probably both changes should be provided for. So also,

comparing Quebec and Montreal, the amount of duty collected must be a very fair test, though not absolutely perfect, of the amount of business, and for the number of Clerks and Landing-waiters necessary; but Quebec costs more under the former head, and almost as much under the latter as Montreal, which collects about eight times the amount of duties. The contingencies would also seem to require investigation.

Taking the port of Montreal alone, the cost of the Appraiser's Office appears to have been increased in six years from \$4,981 to \$17,085, and Tide-waiters and Lockers from \$17,360 to \$32,971. Such an extraordinary increase clearly requires close investigation.

As to the Appraiser's Office we are informed, that in 1863 it was found to be upon a very inefficient footing, and an entire reconstruction of that branch of the business was determined upon. It is also stated that in this special department Montreal is looked upon as a sort of central authority, to which reference is made by other ports in doubtful points of valuation, and that the cost is in that way increased. The great addition seems to have been made in 1865, when eleven new hands were added, involving an additional cost of \$8,147.50; in 1866 two new hands were added and two increased, at a cost of \$1,478.25; in 1867, three new hands and seven increased, made an addition of \$2,007.25, and in 1868, four new hands and two increased made a sum of \$1,821.50. The increasing business of the port may have justified this, and the gain from entries corrected at the Examining Warehouse, and from charges for storage seems, on the average, to have covered this cost; but it is evidently a subject requiring investigation. It is to be observed that many of the expenses of the Examining Warehouse, which at Montreal are classed under the general head of Appraisers, &c., are no doubts included under other heads at Halifax and St. John, but still the great difference in the practice of these two large ports from what prevails at Quebec and Montreal, seems to require a complete reconsideration of the subject.

In the item of Tide-waiters and Lockers (for it appears that their duties may to a certain extent be embraced) we have the evidence of Mr. Delisle, the Collector at Montreal, that a great saving can be effected. He estimates it thus:—

The present staff consists of 110 men arranged in three classes of men permanently employed, and others who are supernumeraries, and the total cost is given by Mr. Delisle, for 1868, at..... \$37,122 00

He thinks that 37 permanently employed, and 10 supernumeraries
would be sufficient for the business of that port, at a cost of..... 22,960 00

Effecting a saving at present of..... 14,162 00

And when one office (to be retain for the present) falls in, of..... 14,762 00

It is to be observed that this does not contemplate 20 of the permanent officers receiving a fixed pay of \$80, over and above their per diem allowance, as at present, which practice, if continued, would reduce the sum to \$13,162.

In the above comparisons we have merely taken the four largest ports, with a view of shewing the opening which exists for reconstruction; but similar investigations should be made in the whole establishment. We do not feel competent or called upon to pronounce a decided opinion upon these details, but they should be seriously considered by the Departmental authorities, and a theoretical organization for each port should be determined upon, to which the existing state of affairs should be accommodated as soon as circumstances permit.

New Appointments.

The age of admission as regards Clerks, may be governed by the Civil Service Act; but with regard to the other officers and employés, a somewhat different rule has long been properly followed in the Customs Department, originating in the nature of the Service itself, the duties of a Landing-waiter, Locker or Tidesman, or the much higher duties of an Appraiser, requiring generally maturer years in the officer than can always or usually be found in the probationary or junior classes of the Civil Service.

The age, however, in England, as in Canada, above which no aspirant can enter the Customs Service, has been fixed very much above that of the probationary clerks under the Civil Service Act. As the rule now stands, it is 32 years of age in England, and 35 in Canada. No aspirant over those ages in England and Canada respectively, can be admitted

into the Service, at least theoretically, and the Department is thus relieved from the burthen of an inordinate number of Superannuated Officers.

It is not sufficient, however, to lay down a rule—it should be carried out. But it is to be regretted that in this country, as appears to have been the case, until comparatively late years in the mother country, the rule has been over-ridden by Parliamentary influence, and both appointments and promotions have been made in direct contravention of the salutary rule laid down for the advantage of the Customs Service.

It is to be hoped, however, that the improvement in that respect, which has taken place in England, may be found worthy of adoption here. We find in a report, or letter addressed to the Right Honorable Henry Goulburn, and ascribed to the then Chairman of the Board of Customs, (Mr. R. B. Dean,) that it is made a subject of congratulation, that the age of admission into the Customs service had been limited—that a system of classification and promotion of officers and a graduated scale of salaries had been established throughout the whole Department, and that by this means “local interference in the promotion of officers had been abolished”; and a little further down he remarks: “Already has Government relinquished, it may be said, any interference with promotion in the Department of Customs, and the road is open to advancement to the meritorious officer.”

Too much stress cannot be laid upon the importance of the course thus referred to, and it is not saying too much when it is asserted, that the whole efficiency of the service depends upon a rigid adherence to the rules of advancement and promotion.

Treasury Solicitor.

With reference not only to the legal questions and Exchequer suits that arise out of the Customs laws, but with regard also to the framing of the laws themselves, it has been long since considered desirable that a special Solicitor should be appointed to assist in framing, and to conduct the suits growing out of the infraction of, the Customs laws. Perhaps such a Solicitor might be called “the Treasury Solicitor.” This would secure the legislation governing the several Departments against such conflicting enactments as we now find in the Statute Book; the tariff of Customs, for instance, making the importation of Raw Tobacco free, while the Excise Act declares that it can not go into consumption in this country without the payment of a duty of 15%.

Officers working extra hours.

There was in the late Province of Canada an Order in Council of July, 1858, providing that, if landing waiters were required to attend at unusual hours for the convenience of Railroads and others, they should receive extra remuneration from Government on a fixed scale, and that the parties for whose convenience they so attended should repay Government. This rule does not appear to have extended in Canada to lockers, and there was no such provision in Nova Scotia and New Brunswick. In those Provinces the Customs Officers are paid directly by the parties interested, and we find that at Montreal it has been customary for the owners of private bonded warehouses to pay the lockers for extra attendance. We think that this practice is very objectionable, and that the same rule ought to be extended to all Customs Officers.

Method of Collecting Statistics.

In our former report we alluded to an important change which had been proposed in the manner of compiling the Customs Statistics. For convenience we will now repeat what we then said upon the subject:

“At present each Port sends its entries to the Department to be checked, but the tabulating of all the business, the arrangement of it under the different heads of articles imported, free or dutiable, whence imported, &c., in short all the statistical information relating to the business of each individual Port, is prepared in the Ports themselves. From them monthly, quarterly and annual returns are received, which are all added together in the Department to shew the whole business of the country, forming the Trade and Navigation Returns which are laid before Parliament. In England, each Port sends copies of its entries to London, and all statistical information is compiled there. We believe that this

centralization of the work must result in a considerable aggregate saving of labor and expense, and that the work will be better done by experienced hands constantly engaged in it, than if it is entrusted to all the separate Ports scattered over the country. We are, however, fully aware that difficulties may present themselves in introducing a system which works admirably in England, where every Port is within a few hours distance from Head Quarters, into a country so very differently situated as Canada, and some considerable modifications of it may be necessary. We do not therefore wish to express any decided opinion upon this proposition, until we have had more opportunities of examining the working of the present system in the larger Ports of the Dominion, and of receiving the opinion of experienced persons upon it."

Since the above was written a Committee of our body has visited the Ports of Montreal, Halifax and St. John, and they gave particular attention to the question of these returns. In each of these places they interrogated those who were practically engaged in carrying out the present system, not only those who themselves were conducting this branch of the business, but those whose work was affected by it. They have reported that all concurred in the convenience of the new method proposed, and that they had seen no good ground for believing that any practical inconvenience would arise from the change. The advantages would be many. There would be a large saving in the printed forms of returns which are numerous, large and expensive; and of the books kept at all the Ports for the purpose of compiling the returns. A staff of 10 to 12 clerks at Head Quarters, selected from those accustomed to the work at the large Ports, and working in a large room under the superintendence of an officer thoroughly versed in the business, would probably be quite sufficient to accomplish the work. By a well-studied division of the Ports according to the average number of entries at each, the substance of the duplicate entries, previously checked by the proper officer, would be written up in 10 or 20 books, which, being closely kept up, would at any time afford the Minister such statistical information as he might require to the latest date. This last point we consider to be of the greatest importance; to which may also be added, that if experience should hereafter dictate any change which might be desirable in the form of the statistical returns, it would be far easier to introduce it into the books at Head Quarters and to train 10 clerks to the change, than to have to give the necessary instructions to all the Ports scattered over the Dominion. We believe also that all such statistics, compiled by men accustomed to the business, and working at it without any interruption, will be much more rapidly prepared, and will be more likely to be accurate, than when the work has to be done, as is the case with most of the smaller Ports, by men not always the most competent, and who are distracted by other avocations.

We therefore recommend that the change should be introduced with the new financial year. It is obvious that such an alteration will necessitate corresponding changes both in the Departmental staff and in those of the larger ports. In the Department the person specially charged with the superintendence of checking the entries, tabulating them and compiling the statistical returns, should have the rank of a Chief Clerk, and one of his subordinates might be a First Class Clerk, and perhaps two others Senior Second, whilst the rest might be Juniors. In the larger ports there should be a corresponding reduction in the number of clerks employed.

In our former report we suggested that advantage should be taken of the same opportunity to revise the entire system of the forms of returns and of books, and of the complete statistical returns as published. We do not think that it is advisable that we should enter into any detail as to these points, but the whole question should be maturely considered by the Department, after a comparison with what is done in other countries, and consultation with those who have practical experience in such matters.

JOHN LANGTON,
Chairman.

N. B.—The above Report, having been agreed to by the Commission as the commencement of the Report upon the Outside Services, was presented to Government, with the intention of adding to it from time to time Reports upon other parts of the Outside Services as they were completed.

JOHN LANGTON.

SCHEDULE (A).

PORTS OF ENTRY BELONGING TO ONE OR OTHER OF THE ORDERS OR DENOMINATIONS FOLLOWING, *viz*:

- A. Sea Ports ;
- B. Inland-Water and Railway combined Ports ;
- C. Inland-Water Ports ;
- D. Railway Ports ;
- E. Inland Ports ;
- F. Out-Bays or Ports.

ORDER A. Sea Ports are divided into 4 classes, *viz* :

THE 1ST CLASS is composed of the following Ports :

Montreal,
Quebec,
Halifax, N. S.,
St. John, N. B.

THE 2ND CLASS consists of Ports at which at least 300 vessels arrive from and depart for British or Foreign Ports exclusive of coasters, and where the collections are under \$500,000 but not under \$50,000—When the No. of vessels shall exceed 500 and the collections rise to over \$500,000, the Port is entitled to be raised to the 1st Class.

THE 3RD CLASS consists of Ports at which at least 60 Vessels from British or Foreign Ports, exclusive of coasters, shall so arrive and depart and at which the collections are under \$50,000 but not under \$10,000.

THE 4TH CLASS comprises the Ports at which at least 5 Vessels so arrive and depart, whether such Vessels arrive from or clear for any British or Foreign Port or Place, or are Coasting Vessels, and at which the collections are under \$10,000 and not under \$500.

ORDER B. Inland-Water and Railway combined Ports, are divided into 5 Classes based upon the Revenue collected as follows, *viz* :

1ST CLASS—Where the Revenue collected exceeds \$1,000,000.

2ND CLASS—Where it is under \$1,000,000 but not under \$200,000.

3RD CLASS—Where it is under \$200,000 and not under \$25,000.

4TH CLASS—Where it is under \$25,000 and not under \$5,000.

5TH CLASS—Where it is under \$5,000 but not under \$500.

ORDER C. Inland-Water Ports, and

ORDER D. Railway Ports, are each, in like manner, as regards collections divided into 5 Classes with similar *minima* and *maxima*.

ORDER E. Inland Ports are such Ports as do not come within any of the foregoing Orders, and are composed of 2 Classes, *viz* :

1ST CLASS—Ports collecting \$5,000 and over.

2ND CLASS—Ports collecting under \$5,000 but not under \$500.

ORDER F. Out-Bays or Ports are divided into three Classes, *viz* :

1ST CLASS—Collecting over \$1,000.

2ND CLASS—Collecting under \$1,000 but not under \$500.

3RD CLASS—Such as collect under \$500 or no revenue whatever. These Out-Bays or Ports are considered as mere Preventive Stations and are to be rated at a fixed salary without reference to collections, but in accordance with their importance as Preventive Stations, such salary not to exceed the maximum mentioned in the classification of Order F.

SCHEDULE B, CLASSIFYING THE PORTS.

ORDER A, SEA PORTS.										ORDER B, INLAND WATER AND RAILWAY COMBINED PORTS.									
1st Class.		2nd Class, \$50,000 to \$500,000. Ships, Min. 300.		3rd Class, \$10,000 to \$50,000. Ships, Min. 60 to 300.		4th Class, \$500 to \$10,000. Min. 5, Max. 60.		1st Class, over \$1,000,000.		2nd Class, \$200,000 to \$1,000,000.		3rd Class, \$25,000 to \$200,000.		4th Class, \$5,000 to \$25,000.		5th Class, \$500 to \$5,000.			
Min.	Max.	Min.	Max.	Min.	Max.	Min.	Max.	Min.	Max.	Min.	Max.	Min.	Max.	Min.	Max.	Min.	Max.	Min.	Max.
\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
2,400	3,600	1,600	2,400	1,000	1,600	500	1,000	2,400	3,200	2,000	2,400	1,400	2,000	900	1,400	500	900		
1,600	2,000	1,000	1,600	800	1,000	800	1,000	1,600	2,000	1,400	1,600	1,000	1,400	400	600	400	600		
1,000	1,200	800	1,000	600	800	600	800	900	1,100	800	900	600	800	400	600	400	600		
700	1,000	600	800	400	500	600	800	700	900	600	800	500	600	400	600	400	600		
500	800	500	600	600	600	600	600	600	700	500	600	400	500	400	500	400	500		
300	500	300	500	300	500	300	500	300	500	300	500	300	500	300	500	300	500		
1,200	1,400	1,000	1,200	800	1,000	600	800	1,200	1,400	1,000	1,200	800	1,000	500	700	500	700		
900	1,100	700	900	600	800	500	700	900	1,100	800	1,000	600	800	400	600	400	600		
600	800	600	800	600	800	600	800	600	800	600	800	600	800	600	800	600	800		
300	500	300	500	300	500	300	500	300	500	300	500	300	500	300	500	300	500		
1,500	1,800	1,000	1,500	800	1,200	600	1,000	1,500	1,800	1,000	1,300	800	1,100	600	900	500	700		
800	900	600	800	600	800	600	800	800	900	600	800	600	800	600	800	600	800		
700	800	600	700	500	600	400	500	700	800	600	700	500	600	400	500	400	500		
500	700	500	700	500	700	500	700	500	700	500	700	500	700	500	700	500	700		
600	800	600	800	600	800	600	800	600	800	600	800	600	800	600	800	600	800		
To be paid 50 cents per day if called upon to be in attendance; and \$1.50 additional per day when actually on duty.																			
Tide Waiters, or Boarding Officers.....																			
Inspectors of Ports																			
{ 1st. Central Division, salary, \$1,600 to \$2,000 2nd. Western do do \$1,600 to \$2,000 } and travelling allowance. 3rd. Eastern do do \$1,600 to \$2,000 }																			

NOTES ACCOMPANYING AND FORMING PART OF THE SCHEDULE CLASSIFYING THE PORTS.

1. If under Order A (Sea-Ports) the two elements of Shipping and Collections should not combine to entitle a Port to be placed in a given Class, such Port shall be placed in the class to which the lower of those two elements would assign to it.

2. At Ports of the 1st and 2nd classes, in Orders A, B, C & D, it will be in the power of the Collector to select from amongst the First Landing Waiters and First Clerks one of each of those denominations, and to assign to him the designation of Chief Landing Waiter, or Chief Clerk respectively, with an increase of salary not to exceed \$200; and the Collector may also advance any one of the Lockers to the rank of Chief Locker, with, an increase not to exceed \$100; such promotions to be subject to renewal annually. At 4th Class Ports of the above Orders if there shall be more than one Landing Waiter, an additional allowance not exceeding \$100, may be made to one of them with the title of Principal Landing Waiter.

3. Officers and Clerks permanently discharging other duties than those attached to the special Clerkship or office to which they are appointed, or who may have been appointed for the performing of the two classes of duties, such as Surveyor and Clerk, Landing Waiter and Clerk, or Landing Waiter and Warehouse Keeper, &c., may receive, if recommended by the Collector, an addition to their Salary, not exceeding \$100 per annum, so long as the combined duties are performed by such Officers and Clerks, provided such addition to his salary does not raise it beyond the maximum of the higher rate.

4. When a Sea-Port (Order A) of the 2nd, 3rd, or 4th Class, is situated at the terminus or on any line of Railroad, or when the Collector is charged with the registration of shipping, it shall be in the discretion of the Department to make an addition to his salary not exceeding in the whole 10 per cent.

5. No Port shall be raised to a higher class unless its collections shall have fallen within the limits of that Class on an average of three years.

6. All Surveyors are to be considered as having charge of the Bonded Warehouses, and at large Ports they may have an Assistant Warehouse Keeper.

7. The Salaries assigned to Appraisers and Assistant Appraisers are upon the condition that they follow no other business, and that their whole time is at the disposal of the Government.

8. At small Ports where the scale does not provide for a Landing Waiter, if circumstances should require that there should be some second Officer to take charge, a Landing Waiter may be appointed, at a salary within the limits of that attached to a like Officer in the Class immediately above.

9. In Classes 1 and 2, order A, a permanent salary not exceeding \$80 a year may be paid to a certain number of tide-waiters, according to the importance of the Ports, as a retaining fee, over and above their per diem allowance when actually employed, but such salaried tide-waiters shall not in any case exceed twenty.

SCHEDULE C.

LIST OF PORTS IN THE DOMINION OF CANADA, IN ACCORDANCE WITH THE NEW CLASSIFICATION.

ORDER A.—SEA PORTS.—CLASS I.

Names of Ports.		Averaged collections, years ended 30th June, 1866, 1867, and 1868, or 3 years.
Ports.	Outports.	\$
Montreal	Rouse's Point	4,202,716
	St. Armand	
Quebec	Beauce	544,795
	Chicoutimi	
	Esquimaux Point	
	Murray Bay	
	Rimouski	
	River Godbout	
	Tadoussac	
	Three Rivers	924,521
Halifax	Tangier (nil)	
St. John		675,579

ORDER A—CLASS III.

Amherst, N.S.	\$12,863	16,226
Advocate Harbour	86	
Joggins	2,371	
Parrsboro'	630	
Ratchford River	276	
Bathurst	\$10,968	11,374
New Bandon	406	
Chatham		27,539
Gaspé	Fox River	13,235
	Percé	
	Ste. Anne des Monts	
New Carlisle	Carlton	14,678
	Cross Point	
	New Richmond	
	Paspebiac	
New Castle, N.B.		14,745
North Sidney	\$ 9,345	11,113
	Cow Bay	
	Glace Bay	
	Little Bras d'Or	
Pictou	\$35,837	36,125
	Merrigomish	
	Wallace	
St. Andrews		23,051
Yarmouth	\$37,330	37,742
	Beaver River	
	Pubnico	
	Tusket	
St. Stephens		37,173

ORDER A—CLASS IV.

Amherst, (Q)		3,168
Annapolis	\$ 5,097	6,150
	Clements Port	
	Thorne's Cove	

List of Ports in the Dominion of Canada, &c.—*Continued.*

Names of Ports.		Averaged collections for three years.
<i>Ports.</i>	<i>Outports.</i>	\$
Antigonish.....	Harbor au Bouche.....	\$ 6,806 } 7,554
	Little River (Bayfield).....	43 } 682
Arichat.....	Port Richmond.....	\$ 4,434 } (Nil) 6,021
	St. Peters.....	1,587 } \$ 3,660
Baddeck.....	Great Bras d'Or.....	1,000 } 4,693
	St. Ann's.....	33 } 721
Bay Verte.....		\$ 4,962 } 5,181
Bridgetown.....	Port William.....	219 } 3,793
Caraquet.....		\$ 3,933 } 7,140
Cornwallis.....	Canada Creek.....	842 } 827
	French Cross.....	827 } 892
	Harborville.....	892 } 646
	Horton.....	646 } \$ 7,156
Dalhousie, N. B.....	Campbelltown.....	1,395 } 8,541
Digby.....	Bear River.....	\$ 5,661 } 2,049
	Sandy Cove.....	432 } 8,816
	West Port.....	674 } \$ 1,746
Dorchester.....	Rockland.....	146 } 1,892
Hawkesbury.....		\$ 396 } 1,102
Hillsborough.....	Harvey.....	112 } 508
Port Hood.....	Margaree.....	\$ 2,541 } 2,591
Liverpool.....		50 } 9,145
Londonderry.....	Five Islands.....	\$ 2,884 } 443
	Maitland.....	1,001 } 4,649
	Truro.....	321 } \$ 2,609
Lunenburg.....	Chester.....	(Nil) } 4,019
	La Have.....	1,058 } 352
	Mahone Bay.....	352 } \$ 3,188
Magaretsville.....	Wilnot.....	1,349 } 4,537
Medway.....		\$ 1,310 } 866
Moncton.....	Cape Canso.....	429 } 5,744
Mulgrave.....	Guysborough.....	170 } 2,072
	Isaac's Harbor.....	(Nil.) } 163
	St. Mary's River.....	163 } 1,648
Pugwash.....		\$ 2,404 } 1,469
Ragged Islands.....	Barrington.....	195 } 4,903
	Latour.....	835 } 7,127
	Shelburn.....	\$ 5,466 } 134
Richibucto.....	North Joggins.....	134 } 5,600
Sackville.....		\$ 2,061 } 555
Saint George.....	Buctouche.....	555 } 2,614
Shediac.....		\$ 3,480 } 54
Shippigan.....	Lingan.....	15 } 3,519
Sydney.....	Louisburg.....	15 } 3,554
	Main à Dieu.....	5 }

List of Ports in the Dominion of Canada, &c.—*Continued.*

Names of Ports.		Averaged collections for three years.
Ports.	Outports.	\$
Tatamagouche		1,292
Welchpool		3,400
West Isles.....		3,707
Waymouth.....		\$ 4,552
	Acadia.....	1,355
	Belliveau Cove.....	582
	Gilbert.....	1,141
Windsor (N. S.).....		\$ 7,635
	Cheverie.....	153
	Hantsport.....	579
	Walton.....	58
ORDER B—CLASS 2.		
Toronto.....	Collingwood	976,842
	Credit.....	
	Penetanguishene.....	
Hamilton.....		
	Galt.....	551,149
	Oakville.....	
	Wellington Square	
ORDER B—CLASS 3.		
Bytown.....		77,587
Fredericton.....		34,859
Kingston.....		113,358
	Bath.....	
Windsor (O.).....		25,953
	Sandwich.....	
ORDER B—CLASS 4.		
Belleville.....		15,734
Brockville.....		10,325
	Cole's Ferry	
	Maitland.....	
Sault St. Marie.....		6,193
	Bruce Mines.....	
	Fort William.....	
	Killarney.....	
Chatham (O.).....		6,334
	Rondeau.....	
Cobourg.....		6,762
	Grafton.....	
Dalhousie (O.).....		24,651
	Port Dalhousie.....	
	Port Robinson	
Darlington.....		12,412
Dundas.....		7,763
Port Hope.....		22,097
	Peterborough	
Niagara.....		4,622
	Queenston	
Oshawa.....		6,434
Prescott.....		14,236
Sarnia.....		11,441
	Mooretown	
St. John's (Q.).....		4,461
Whitby.....		10,378
	Pickering.....	

List of Ports in the Dominion of Canada, &c.—*Continued.*

Names of Ports.		Averaged collections for three years.
<i>Ports.</i>	<i>Outports.</i>	\$
Woodstock (N. B.).....		\$ 8,818
	Grand Falls.....	1,118
	Richmond Station.....	2,783
	Tobique	470
		13,189
ORDER B—CLASS 5.		
Brighton.....		386
Chippawa.....	Black Creek.....	2,881
Port Colborne.....		1,072
Cornwall.....	Aultsville.....	1,166
Cramahe.....		630
Dunnville.....		1,072
Fort Erie.....		4,417
Gananoque.....	Rockport.....	1,497
Goderich.....	Penetangore	3,067
Lacolle		480
Morrisburgh	Elgin (Edwardsburgh).....	585
	Matilda	
Napanee.....	Mill Point	2,498
Newcastle		3,503
Trenton		492
ORDER C—CLASS 4.		
Amherstburgh.....		1,612
Burwell.....		2,360
Dover		4,585
Dundee	St. Régis	1,218
	Trout River	
Kingsville		187
Owen Sound	Saugeen	223
Philipsburgh.....		720
Pictou.....	Milford.....	1,596
	Wellington	
Wallaceburgh	Baby Point	684
	Sombra.....	
ORDER D—CLASS 3.		
Clifton		52,085
London	Stanley	197,460
ORDER D—CLASS 4.		
Brantford.....		24,495
Conaticook.....	Boundary Line.....	6,841
	Hereford	
Guelph.....		20,792

List of Ports in the Dominion of Canada, &c.—*Continued.*

Names of Ports.		Averaged collections for three years.
<i>Ports.</i>	<i>Outports.</i>	\$
Stratford		6,404
Woodstock (O.)		9,639
ORDER D—CLASS 5.		
Paris		3,728
ORDER E—CLASS 1.		
Stanstead	Beebe Plain	6,714
	Bickford Corner	
	Black Rock	
	Derby Line	
	Georgeville	
	Magog	367
	Lake Memphremagog	
Clarenceville		789
Frelighsburg		665
Hemmingford		348
Potton		809
Russelltown		585
Sutton		

CIVIL SERVICE COMMISSION.

MR. BOUCHETTE'S DISSSENT FROM THE RECOMMENDATION OF THE SECOND REPORT TOUCHING THE "METHOD OF COLLECTING STATISTICS."

The undersigned will not repeat here what he has already stated on this subject, in his dissent from part of the First Report; but he would beg leave specially to refer to the reasons he has there assigned for his being unable to concur in the views of his colleagues as to the adoption, in this country, of the method followed in England, of compiling at Head-Quarters, the Statistics of Trade from the original Entries, &c., sent to London from various Ports—the circumstances of both Countries being wholly dissimilar.

The majority of the Commissioners are not themselves without grave misgivings as to the feasibility of substituting the English system to our own. "We are, however," do they say in their First Report, "fully aware that difficulties may present themselves in introducing a system, which works admirably in England, where every Port is within a few hours' distance from Head Quarters, into a country *so very differently situated* as Canada, and some considerable modifications of it may be necessary."

Leaving this important admission, as to the implied danger of giving effect to their own recommendation, to speak for itself, the undersigned cannot withhold a few remarks upon the line of argumentation followed in the Report, to sustain the position taken by the majority as regards this question of Statistics.

The arguments used in its favor appear to be:—

1st. That at the Ports of Montreal, Halifax, and St. John, those who were practically engaged in carrying out the present system all concurred in the *convenience* of the method proposed.

2nd. That there would be a large saving in printed forms.

3rd. That ten or twelve Clerks at Head-Quarters would probably be sufficient to accomplish the work.

4th. That the substance of the duplicate entries would be written up in "ten or twenty books," which being closely kept up, would at any time afford the Minister such statistical information as he might require, to the latest date.

5th. That if experience should hereafter dictate any change in the form of Statistical Returns, it would be easier to train ten Clerks to the change than to instruct all the Clerks of the Dominion (at Ports of Entry of course).

Taking these various points in the order in which we find them; the undersigned would remark as to the—

1st. That, without underestimating the competency of the Officers at the Ports mentioned to form an opinion as to the advantages of the proposed change, of which, practically at least, if not theoretically, they know nothing, the undersigned does not consider it surprising that they should "all concur in the *convenience* of the method proposed," when it was obvious that that method would have the effect of relieving them from an important part of the responsible duties they were called upon to perform. Under such circumstances, it is not believed that any preponderating weight should be attached to the very qualified opinions that seem to have been gleaned at *three* of the principal ports in Canada; there being *eight* at least, of magnitude and importance, out of a total of 180 Ports in the whole Dominion.

2nd. As to the saving of printed forms, it is at once conceded that the largest and most expensive forms would be superseded, by doing away with the Returns from the Ports. But assuming, as maintained by the undersigned, that the existing system of requiring Returns from the Ports, is the better system, an expenditure of some \$3,500 per annum would not, it is presumed, be deemed of sufficient moment to subvert it. And as to the economy of Books, it is believed that the saving would be insignificant if not wholly imaginary.

3rd. Assuming that a staff of ten or twelve Clerks at Head Quarters, as stated in the Report, would be sufficient to accomplish the work, it is difficult to see what saving would be effected by the change of system. It is, of course, assumed that the Clerks of the Ports, now engaged in preparing these returns and keeping the books, would be transferred to Head-

quarters. But if this be done, where is the saving? We may be told, however, that more clerks are now engaged at the Ports in keeping the Books and preparing the Returns, than will be wanted at Ottawa, and that the services of the surplus will be dispensed with, and thus effect a saving. Should this view of the case be entertained, there need be no hesitation in considering it wholly illusory, inasmuch as it would be found that the repugnance which is felt, and sometimes the injustice involved in the dismissal of a meritorious public officer, would generally, if not universally, lead to the retaining in the Public service, of the otherwise doomed clerks, and that indeed, at the very Ports to which they were attached.

The undersigned is moreover fully convinced, from the experience of what is now doing in the Statistical Branch of the Department, that not *ten* but *eighteen* or *twenty* Clerks would be required to carry out the Statistical scheme advocated by the Report.

4th. There are now 180 Ports in the Dominion—but assuming that this number be reduced as proposed, to 99, the Books at Head-Quarters would necessarily have to be so kept as to show the trade and shipping inwards and outwards, the warehousing operations and the duties collected at each of those Ports; and all the details now recorded at the 99 Ports, would have to be booked at the head office, to obtain the statistical results of the trade of each Port.

The range from “ten or twenty Books” mentioned in the Report, would thus have to be extended to 50 or 60, if not indeed to 99 Books; for, however restricted in amount the business of a Port may be, it would certainly be better that its operations be kept in a separate Book or Books, if it be expected that its Trade, Shipping, &c., should be statistically given, when wanted.

That “such Books” (combined of course with general aggregate Books of the Trade and Shipping of the Dominion) “closely kept up, would at any time afford the Minister such statistical information as he might require, to the latest date,” may be true, at least theoretically; but, granted that it be practically so, it could be urged as an argument in favor of the new system, and against the existing one, only upon the assumption that the latter has failed to afford the Minister of Customs or the Minister of Finance the statistical information of the trade of the Country which may have been called for.

The experience of eighteen years repels that assumption; and antecedently to the date of confederation (1st July, 1867), the whole trade of Canada was regularly made up in comparative *monthly* statements of imports and exports, which were carried on from month to month, through the twelve months. These statements fully met all the exigencies of the information called for by Ministers, from the Customs Department, apart from special and topical statements that may have been required, and which were with equal readiness furnished.

The date of the confederation has been above referred to, as the period down to which the existing method of preparing the Customs Statistics was carried on in the manner stated. Since that period, the accession to the Department of thirty Ports in New Brunswick and seventy-nine in Nova Scotia, in each of which Provinces a different rule of Customs-management prevailed—both of them again differing in many respects from the system of management and administration followed in the late Province of Canada,—it was scarcely to be expected that these diversified systems could be speedily or easily reconciled, and that the prejudices of habit should be too abruptly dealt with. Some confusion naturally resulted from this complication, and the Returns from the Maritime Provinces came in, not only very irregularly, but they were oftentimes, nay generally, imperfect when received. This aggravated the difficulties at Head-Quarters where the staff was not increased in the ratio of the increased business of the Statistical Office; and there is reason to believe that it is this unfortunate interregnum of confusion connected with the Returns from the lower Provinces,—a state of things, which, although purely ephemeral, may have appear to the uninitiated as the normal condition of the system,—that created prejudices against it, and led to the recommendation that it should be supplanted by one which has the prestige of being in force in England, but which, however it may be adapted to the circumstances of that Country, is wholly unsuitable to the widely different circumstances of Canada, as already stated by the undersigned in his dissent from the first Report.

5th. The last argument involves, to some extent, a truism, as it may, as a general rule, be conceded that it is easier to train ten clerks than twenty, or any greater number, to the changes that experience might dictate in the form of statistical Returns. Changes however,

of established forms, should not be, and are not lightly made. Forms may be, as indeed they have sometimes been, modified, either to extend the scope of the information tabulated, or to improve the clearness of arrangement; but ordinary intelligence, combined with a moderate familiarity with the statistical subject matter, would surely make it an easy task for any Clerk or Collector to adapt himself to such modifications, as are here referred to.

Besides is it not better to educate Customs Officers, as a class, by raising them up to a higher standard of usefulness through the duties assigned to them, than to narrow down your demands upon them to suit their limited knowledge, though they may be possessed of a high degree of intelligence.

The present system in theory and in practice is briefly this:—

Each Port keeps an exact record of its daily business.

The entries ex-ship, or for the warehouse, or ex-warehouse, either for consumption, exportation or removal are passed in duplicate, and one copy is transmitted daily from large Ports, weekly from smaller ones, to the Department at Ottawa, and there they are checked in all their detail as to rate and computation of duties, conversions of foreign coins, weights, &c.

Each Port transmits to Head-Quarters the following Returns in accordance with established printed forms, viz:

A Monthly Returns of the *principal articles* imported, entered, and duties paid; and similar Return of goods exported. These two Returns are comparative.

A Quarterly Return of goods entered for consumption—how and from what countries imported—Duties collected, &c.,—and a similar Return of Exports.

A Yearly Return, similar in character and detail to the Quarterly Consumption Return, and a yearly Return of Exports.

The Monthly Returns, as they come in, are sent to the Statistical Room, and are there carefully checked as to their intrinsic coherency and correctness, and the column of duties collected is compared with the computation of the Monthly Returns which are inscribed in a book, and added up at the end of each month. (The *booking* of the entries, so as to add up the duties, has not hitherto been done for the four largest Ports, in consequence of the inadequacy of the staff to perform that duty; but the entries themselves are carefully and regularly checked, the time of one clerk being wholly engrossed by that duty.)

The Monthly Returns being so examined and checked, become the term of comparison for the Quarterly Returns, which should in quantities, values and duties, agree with the three Monthlies.

The Quarterlies in their turn become a check upon the Yearly Returns, and thus the operations of the whole year undergo a series of checks, first at the Port of Entry, where the Returns are prepared, and afterwards at the Head Office, where they are finally examined before being incorporated in the Statistical Tables of the Trade and Navigation of the Dominion.

There are, of course, a variety of other minor Annual Returns required from the different ports, connected with shipping, copyrights, seizures, &c.; but these involve no considerable labour, whilst they are important to complete the statistical information which Tables of the trade and navigation of a country should contain.

The undersigned, strong in the conviction that the existing system of collecting and combining the commercial statistics of the Country, has fully, promptly and faithfully accomplished the objects compassed by the compilation of such statistics, considers that he would be wanting in the discharge of his duty, as a member of the Civil Service Commission, if he assented to the proposed innovation, which seeks to substitute experiment to experience, and to supplant a well and long-tried system by another, which may theoretically seem admirable, but of the application of which to Canada, even the Report itself, betrays its misgivings. No change certainly, of the kind recommended, should be made, without a closer investigation into the merits of the English system; and before the Canadian system (which has its counterpart in France) is abandoned, the Ports of London and Liverpool should be visited and a thorough knowledge obtained of the working of the Minute of the Treasury Board of 1849, which introduced the existing system in Great Britain.

R. S. M. BOUCHETTE.

30th March, 1869.

1. The first part of the paper is devoted to a general discussion of the problem.

2. The second part is devoted to a detailed analysis of the case.

3. The third part is devoted to a discussion of the results.

4. The fourth part is devoted to a discussion of the conclusions.

5. The fifth part is devoted to a discussion of the future work.

6. The sixth part is devoted to a discussion of the references.

7. The seventh part is devoted to a discussion of the appendix.

8. The eighth part is devoted to a discussion of the bibliography.

RETURN

To an Address of the HOUSE OF COMMONS, dated 21st April, 1869 ; For a Statement of all Officers or Employés of the Government in the different Departments of the Civil Service in the City of Ottawa, and in the several Provinces of the Dominion of Canada ; giving the name of such Officers or Employés, the amount of annual salary payable to them, or which is paid to them respectively, either as salary in cash or by fees of office, or by both ; showing, also, allowances for lodging, fuel, light, or for the use of any article, animal, &c., belonging to the Government.

By Command.

HECTOR L. LANGEVIN,

Secretary of State.

DEPARTMENT OF THE SECRETARY OF STATE,

Ottawa, 13th May, 1869.

AUDIT OFFICE,

Ottawa, 12th May, 1869.

SIR,—I have the honor to acknowledge receipt of a reference to the Minister of Finance, to furnish a Statement in return to an Address of the House of Commons, of all officers in employment of Government in the different Departments of the Civil Service.

I have the honor to enclose a copy of the 1st Report of the Civil Service Commissioners, which in Appendix B, page 62, *et seq.*, gives the names of the employés and their salaries.

As to the further information asked for, shewing any allowance for fuel, light, &c., it will be included in the return to another Address upon the subject, now in course of preparation.

I have the honor to be,

Your obedient servant,

JOHN LANGTON,

Auditor.

E. PARENT, ESQ.,

Under Secretary of State.

RETURN

To an ORDER OF THE HOUSE OF COMMONS, dated 10th May, 1869; For a Statement shewing the names of officers in the Civil Service who have received any sum of money as allowance for special or other services; shewing the amount of salary, and the additional amount so paid in each case.

By command.

HECTOR L. LANGEVIN,

Secretary of State.

DEPARTMENT OF THE SECRETARY OF STATE,

Ottawa, 28th May, 1869.

STATEMENT of all allowances made to members of the Civil Service, in the Departments, over and above their regular salaries, from July 1st, 1867, to April 30th, 1869.

	Yearly salary.	1867-8.	1868-9.	Total.
GOVERNOR GENERAL'S OFFICE.				
	\$ cts.	\$ cts.	\$ cts.	\$ cts.
Dennis Godley, detention allowance.....	3,000 00	242 00	.....	242 00
H. Cotton, travelling expenses.....	1,800 00	44 00	60 00	104 00
Lt.-Col. Irvine, detention allowance.....	1,840 00	432 19	504 75	936 94
Do fuel allowance.....	.....	148 00	110 00	258 00
John Kidd, detention allowance.....	1,400 00	479 25	.....	479 25
Do travelling expenses.....	.....	12 00	.....	12 00
F. Burrowes, detention allowance.....	720 00	47 00	.....	47 00
G. Smith, do	450 00	50 25	.....	50 25
Sergeant Lambkin, do .....	.....	71 92	.....	71 92
Do travelling expenses.....	.....	.....	25 00	25 00
P. St. Hill, extra allowance made for many years past, and which may be considered part of his salary	500 00	77 59	83 32	160 91
Total.....	.....	1,604 20	783 07	2,387 27
PRIVY COUNCIL OFFICE.				
W. A. Himsforth, travelling expenses.....	2,000 00	72 50	114 00	186 50
J. O. Coté, do	1,400 00	25 00	2 50	27 50
Do making analytical index .....	.....	.....	515 50	515 00
W. H. Lee, travelling allowance.....	640 00	.....	131 00	131 00
M. Naughton, do	600 00	.....	37 56	37 56
W. E. Morgan, do	450 00	.....	37 37	37 37
Total.....	.....	97 50	837 43	934 93
DEPARTMENT OF JUSTICE.				
H. Bernard, travelling expenses.....	2,600 00	90 05	93 27	183 32
*Do Law Agent to Indian Office.....	.....	400 00	300 00	700 00
John Stuart, travelling expenses.....	1,000 00	.....	6 80	6 80
†Do to raise salary to \$1,200.....	.....	200 00	.....	200 00
C. Drinkwater, travelling expenses.....	973 32	265 55	.....	265 55
Total.....	.....	955 60	400 07	1,355 67
DEPARTMENT OF MILITIA.				
‡Geo. Futvoye, travelling expenses.....	2,600 00	127 00	32 00	159 00
Robert Berry, do .....	.....	.....	133 00	133 00
§Do additional allowance.....	.....	200 00	.....	200 00
Carried forward.....	2,600 00	327 00	165 00	492 00

*Mr. Bernard was appointed Law Adviser to the Indians by Sir Edmund Head in 1860, before the Indian Fund was transferred to the Province, and this salary has been continued ever since.

†Mr. Stuart was recommended for promotion to a first-class Clerk in 1866, but through the absence of the Attorney General in England the appointment did not then take place. Mr. Stuart received in 1867-8 \$400 as arrears of salary, whereof \$200, for 1866-7, was charged against the Province.

‡A further amount of \$100 is charged in contingencies as paid to Mr. Futvoye, but it was not on his own account, but for secret service paid in the absence of the Ministers having charge of such service, and omitted to be refunded to contingencies.

A further sum of \$400 appears under the head "Miscellaneous" as paid to Mr. Futvoye, but it was the amount necessary to raise his salary to the same as other Deputy Heads, which was omitted in the estimates of 1867-8.

§Mr. Berry has received the additional amount for three years. It could no longer be paid under the Contingencies Act in 1868-9, but the Commissioners recommend a permanent addition to his salary to that amount.

STATEMENT of all allowances made to members of the Civil Service, in the Departments, over and above their regular salaries, from July 1st, 1867, to April 30th, 1868.—*Continued.*

	Yearly salary.	1867-8.	1868-9.	Total.
DEPARTMENT OF MILITIA.—Continued.				
	\$ cts.	\$ cts.	\$ cts.	\$ cts.
<i>Brought forward</i>	2,600 00	327 00	165 00	492 00
Colonel MacDougall, allowance in lieu of forage, lodgings, &c., as per O. C.....	3,000 00	1,000 00	833 00	1,833 00
*Colonel MacDougall, travelling expenses.....	.....	280 28	342 00	570 00
Lt.-Col. Powell, allowance in lieu of forage, lodgings, &c., as per O. C.....	2,240 00	.....	350 00	350 00
L. Morel, allowance in lieu of lodgings.....	.....	.....	150 00	150 00
Total.....	.....	1,555 00	1,840 00	3,395 00
DEPARTMENT OF SECRETARY OF STATE.				
Thomas Ross, travelling expenses.....	2,000 00	126 00	.....	126 00
E. C. Barber, do.....	1,240 00	38 00	.....	38 00
J. A. Belanger, extra pay.....	940 00	100 00	.....	100 00
Do travelling expenses.....	.....	.....	21 00	21 00
†Alex. Begg, extra pay.....	760 00	822 50	.....	822 50
W. M. Goodeve, do.....	730 00	20 00	.....	20 00
H. J. D. Lane, do.....	Extra.	10 00	.....	10 00
G. H. Lane, do.....	1,800 00	75 00	.....	75 00
L. A. Catellier, travelling expenses.....	800 00	.....	25 00	25 00
H. J. Morgan, do.....	912 50	213 50	.....	213 50
Do extra pay.....	.....	.....	65 00	65 00
W. F. Coffin, travelling expenses and commission in lieu of travelling expenses.....	2,000 00	790 61	59 00	840 61
W. F. Coffin, fuel for local office.....	.....	167 00	88 00	255 00
F. T. Austin, travelling expenses and commission in lieu of travelling expenses.....	940 00	230 42	174 75	405 17
W. Mills, extra work.....	940 00	.....	30 50	30 50
J. Forsyth, do.....	415 60	11 25	16 20	27 45
Total.....	.....	2,604 68	470 45	2,074 73
DEPARTMENT OF SECRETARY FOR PROVINCES.				
E. A. Meredith, as Chairman of Board of Prison Inspectors.....	2,600 00	890 10	340 77	1,230 87
E. A. Meredith, travelling expenses as Chairman of Board of Prison Inspectors.....	.....	430 40	.....	430 40
H. E. Steele, Clerk, Board of Prison Inspectors.....	1,400 00	356 04	136 30	592 34
G. Powell, Clerk, Civil Service Board.....	1,610 00	200 00	80 25	280 25
Total.....	.....	1,876 54	557 32	2,433 86
DEPARTMENT OF RECEIVER GENERAL.				
G. C. Reiffenstein, travelling expenses.....	2,000 00	30 50	.....	30 50
F. Lewis, do.....	1,600 00	.....	187 67	187 67
J. B. H. Neeve, do.....	1,000 60	.....	15 00	15 00
Total.....	.....	30 50	202 67	233 17
FINANCE DEPARTMENT, ACCOUNTING BRANCH.				
W. A. Blackmore, travelling expenses.....	973 32	486 55	37 00	523 55
E. G. Wilson, extra work.....	Dead.	31 50	.....	31 50
J. F. Brown, extra work.....	940 00	.....	52 00	52 00
Total.....	.....	518 05	89 00	607 05

*Colonel MacDougall receives, besides, requisitions on railways and steamboats while travelling.

†Now in Inland Revenue Department at \$800.

STATEMENT of all allowances made to members of the Civil Service, in the Departments, over and above their regular salaries, from July 1st, 1867, to April 30th, 1868.—*Continued.*

	Yearly Salary.	1867-8.	1868-9.	Total.
	\$ cts.	\$ cts.	\$ cts.	\$ cts.
FINANCE DEPARTMENT—AUDIT BRANCH.				
John Langton, Secretary, Treasury Board.....	2,600 00	333 33	833 33	1,166 66
Do travelling expenses.....		426 50	100 00	526 50
Do do as Civil Service.....				
Commissioner			60 00	60 00
A. Harvey, travelling expenses for Receiver General's Department	1,360 00		187 67	187 67
J. Patterson, travelling expenses for Receiver General's Department	1,240 00		200 00	200 00
*T. D. Tims, travelling expenses.....	2,000 00	1,905 88	764 49	2,670 37
T. Cruse, extra work before July 1st, 1867.....	1,600 00		125 75	125 75
Total		2,665 71	2,271 24	4,936 95
CUSTOMS DEPARTMENT.				
R. S. M. Bouchette, travelling expenses.....	2,600 00	200 00		200 00
Do do as Civil Ser- vice Commissioner			150 00	150 00
J. W. Peachy, extra work.....	1,600 00	20 00		20 00
R. H. Mackay, do per diem.	1 50	10 00		10 00
H. C. Hay, do	940 00	30 00		30 00
W. A. Bell, do	1,000 00	30 00		30 00
J. F. Wolff, do	500 00	30 00		30 00
P. E. Sheppard, do	1,240 00	30 00		30 00
H. A. Vradenburg, do	600 00	30 00		30 00
J. Johnson, travelling expenses.....	2,000 00	200 00	300 00	500 00
Total.....		580 00	450 00	1,030 00
INLAND REVENUE DEPARTMENT.				
Thomas Worthington, travelling expenses.....	2,600 00	197 50	200 00	397 50
A. Brunel, do	2,000 00	2,000 00	1,200 00	3,200 00
Do allowance for special services.....		600 00		600 00
Do proportion of seizures.....		3,192 90		3,192 90
Total.....		5,990 40	2,400 00	7,390 40
PUBLIC WORKS DEPARTMENT.				
John Page, allowance by Order in Council, May 18th, 1864, as Superintendent of Public Buildings, Ottawa	3,240 00	1,065 00		1,065 00
John Page, special services before July, 1867, charged to Province.....		431 00		431 00
Carried forward.....	3,240 00	1,496 00		1,496 00

*Besides the above, Mr. Tims received \$278.90 on account of travelling expenses before July 1st, 1867. Mr. Tims' regular salary, June 30th, 1867, was \$1,600, with an extra allowance of \$400 while superintending the British American Bank Note Company. When, after Confederation, he was employed as Inspector, the temporary allowance was made permanent.

N. B.—Messrs. Knight, Johnson and Scott appear in the account of Contingencies as receiving in 1867-8 \$650 Nova Scotia currency, but this was on account of services to the Dominion before they had been appointed at a salary. Mr. Robinson acts as Dominion Baymaster at St. John, besides being Collector at that port. The amount of remuneration to be allowed to him has not been decided, but he received \$800 on account in 1868-9.

STATEMENT of all allowances made to members of the Civil Service in the Departments, over and above their regular salaries, from July 1st, 1867, to April 30th, 1868.—*Continued.*

	Yearly Salary.	1867-8.	1868-9.	Total.
	\$ cts.	\$ cts.	\$ cts.	\$ cts.
PUBLIC WORKS DEPARTMENT.				
<i>Brought forward</i>	3,240 00	1,496 00	.....	1,496 00
M. Battle, extra allowance, measuring wood for Departments	650 00	175 00	175 00	350 00
M. Battle, travelling expenses .....	.....	170 10	145 50	315 60
M. Walsh, allowance for fuel (including arrears in 1867-8)	450 00	180 00	60 00	240 00
Total .....	.....	2,021 10	380 50	2,401 60
POST OFFICE DEPARTMENT.				
W. S. Thomas, travelling expenses	1,020 00	70 50	.....	70 50
W. H. C. Smithson, removal allowance	1,200 00	300 00	.....	300 00
E. G. Bennett, do	800 00	40 00	.....	40 00
Total .....	.....	410 50	.....	410 50
DEPARTMENT OF AGRICULTURE.				
J. C. Taché, travelling expenses	2,600 00	110 00	434 25	544 25
A. J. Cambie, additional, by Departmental Order... Do travelling expenses	1,240 00	200 00	.....	200 00
W. H. Johnson, do	1,000 00	20 00	.....	20 00
Total .....	.....	330 00	736 12	1,066 12
DEPARTMENT OF MARINE AND FISHERIES.				
W. Smith, travelling expenses	2,600 00	225 00	15 00	240 00
Do do as Civil Service Com- missioner .....	.....	.....	214 00	214 00
S. P. Bauset, extra work	1,100 00	63 00	.....	63 00
G. Fisher, allowance in lieu of lodgings, per Order in Council	450 00	70 00	.....	70 00
W. F. Whitcher, travelling expenses	1,600 00	132 00	.....	132 00
John Tilton, travelling expenses	1,400 00	.....	60 00	60 00
Total .....	.....	490 00	289 00	779 00
BOARD OF CUSTOMS, EXCISE AND STAMPS.*				
R. S. M. Bouchette	2,600 00	600 00	500 00	1,100 00
John Langton	2,600 00	600 00	500 00	1,100 00
W. H. Griffin	2,600 00	600 00	500 00	1,100 00
Total .....	.....	1,800 00	1,500 00	3,300 00

N. B.—The Department of Public Works has made no returns of the travelling expenses of its staff, which are charged against the several works, but they state that nothing is allowed except travelling and hotel expenses.

Mr. Trudeau's salary as Assistant Minister is charged in Civil Government at \$2,600, and he further receives \$900 as Railway Inspector; and Mr. Munroe, whose salary is charged against the Works, receives also \$800 as Railroad Inspector.

*These were salaries payable by law until the repeal of the Excise Act of the late Province of Canada in December, 1867. By Order in Council of January 7th, 1868, the salaries and duties of the members of the Board were continued until the complete re-organization of the Civil Service.

JOHN LANGTON, Auditor.

STATEMENTS.

Statement of the Warrants charged against appropriation for unforeseen expenses in the current fiscal year from the 1st July, 1868, to 23rd April, 1869.

Statement of Warrants drawn against special deposits for the Fort Garry Road.

Copies of Orders in Council, respectively dated 21st September, 1868, and 9th April, 1869, on the subject of the Fort Garry Road, and Warrants in relation thereto.

Also, copies of Orders in Council of the 31st October and the 12th November, 1868, relative to a claim for Dower by Mrs. T. A. Begley, widow of Hugh Fraser.

STATEMENT of Warrants charged against appropriation for Unforeseen Expenses in the current fiscal year, from 1st July 1868 to 23rd April, 1869.

		Amount of appropriation by Act 31st Vic., Cap. 31, Schedule B.....	\$ cts.	\$ cts.
				100,000 00
		<i>Gratuities to Widows and Orphans of deceased Employés on permanent list in accordance with O. C. 1st Feb- ruary, 1868.</i>		
A. M. Delisle, Collector, Montreal.....	To pay gratuity to family of late Simon Roy.....		124 00	
Mrs. Chesley.....	do do A. M. Chesley.....		121 66	
Mrs. Boucher.....	do do Judge Boucher.....		366 67	
Mrs. C. H. Davis.....	do do do Davis.....		300 00	
Mrs. Ellen Draper.....	do do do Draper.....		300 00	
Mrs. Pring.....	do do W. Pring.....		266 66	
Mrs. Brunell.....	do do Troilus Brunell.....		133 32	
Mrs. Ardagh.....	do do W. Ardagh.....		83 34	
Mrs. Couillard.....	do do L. T. Couillard.....		124 00	
Mrs. Harvey.....	do do J. Harvey.....		100 00	
J. W. Dunscumb, Collector Quebec.....	do do John Hall.....		61 00	
J. M. Delisle, Collector, Montreal.....	do do Charles H. Maçon.....		200 00	
Henry Cetton.....	do do George Boxall.....		83 33	
John E. Smith, Collector, Toronto.....	do do James Christie.....		93 33	
R. S. M. Bouchette.....	do do Jchn Hemphill.....		125 00	
Postmaster General.....	do do M. C. Richardson.....		133 33	
Do.....	do do W. A. Ward.....		86 66	
Do.....	do do W. Fitzgerald.....		106 66	
Do.....	do do R. N. Weyland.....		66 66	
Mrs. Litchfield.....	do do Dr. J. P. Litchfield.....		333 33	
Mrs. E. Sheehan.....	do do Walter B. Sheehan.....		83 34	
Mrs. Lachaine.....	do do Dr. Lachaine.....		166 67	
				3,458 96
		<i>Civil Service Commission.</i>		
John Langton.....	On account of Expenses of Commission.....		2,000 00	
				2,000 00
		<i>Quebec Harbour Commission.</i>		
T. Trudeau.....	For services as Commissioner.....		65 25	
C. S. Ross.....	do do		126 25	
				192 50
		<i>Delegation to England.</i>		
Sir Geo. E. Cartier, Bt., and Hon. Wm. McDougall, C.B.	On account of travelling expenses, \$400 each.....			800 00
		<i>General.</i>		
Bank Montreal, N. S.....	To pay Expenses of Sir J. A. Macdonald and party to Nova Scotia.....\$400 00 }		888 53	
Thos. Ross.....	do do do 488 53 }			
Bank Montreal.....	To pay sundry cheques against a Letter of Credit in favor of Sir J. A. Macdonald to enable him to defray expenses connected with the proposed uniformity of the Statute Law of the several Provinces.....		2,058 00	
Hon. Receiver General.....	To pay Hon. C. Tupper travelling expenses on public business		300 00	

STATEMENT of Warrants charged against appropriation for Unforeseen Expenses, &c—*Concluded.*

		\$	cts.	
Chief Justice Hagarty.....	Travelling expenses, swearing in H. E. Sir John Young as Administrator.....	\$50	00	
Justice Morrison.....	do do do	50	00	
Justice Wilson.....	do do do	50	00	
			150	00
Stewart Campbell, M.P.....	To meet travelling expenses on Fishery service.....		200	00
Anthony Swalwell.....	Expenses connected with the Funeral of the late Hon. Thomas D. McGee.....		295	00
William Smith.....	In aid of St. Catherines General Marine Hospital for Relief of Sick Mariners, Welland Canal.....		500	00
				4,391 53
				\$10,842 99

JOHN LANGTON,
Auditor.

AUDIT OFFICE,
23rd April, 1869.

FORT GARRY ROAD.

STATEMENT of Warrants drawn against Special Deposits for Fort Garry Road.

		\$	cts.	
Bank of Montreal.....	To meet drafts to pay disbursements.....	5,000	00	
Do	do of Jas. McDougall to pay for Supplies..	2,200	00	
Do	do John A. Snow to pay disbursements..	1,300	00	
Do	do Jas. McDougall do	2,700	00	
Do	do John A. Snow do	584	00	
Do	do do do	3,016	00	
C. Mair.....	Paid him on account travelling expenses.....	200	00	
				15,000 00
Bank of Montreal.....	To meet drafts of John A. Snow to pay disbursements..			739 79
				\$15,739 79

JOHN LANGTON,
Auditor.

AUDIT OFFICE,
23rd April, 1869.

ORDERS IN COUNCIL, AND WARRANTS RELATIVE TO FORT
GARRY ROAD.

COPY of a Report of a Committee of the Honorable the Privy Council, approved by His Excellency the Governor General in Council on the 21st September, 1868.

On a Memorandum, dated 18th instant, from the Honorable the Minister of Public Works, stating, with reference to his report and recommendation on the subject of a Road from Fort Garry to the Lake of the Woods, approved in Council on the 18th instant, that the necessity is urgent for the expenditure of the sum of fifteen thousand dollars, as recommended in his Report, and requesting that a Warrant issue forthwith for that amount.

The Honorable the Minister of Finance having reported that no Parliamentary provision was made for a Road from Fort Garry to the Lake of the Woods, and the Hon. the Minister of Public Works having represented that the expenditure of the above amount is urgently required in the public interests, the Committee advise that a special warrant be prepared to be signed by Your Excellency for the said sum of fifteen thousand dollars, as authorized by the 2nd sub-section of section 35 of the Act 31 Vic. Cap. 5.

(Certified,)

W. H. LEE,
Clk. P. C.

• OTTAWA, 18th Sept., 1868.

Memorandum, —

With reference to the report and recommendation of the undersigned on the subject of a Road from Fort Garry to Lake of the Woods, which was approved by the Hon. the Privy Council, on the 16th instant, the undersigned has now the honor to report that the necessity is urgent for the expenditure of the sum of fifteen thousand dollars as recommended in his report, and he therefore requests that a special warrant may be issued accordingly.

Respectfully submitted,
(Signed,)

WM. McDUGALL,
Minister of P. Works.

PRIVY COUNCIL CHAMBER,
18th September, 1868.

Referred to the Hon. the Minister of Finance for report.

By Order,
(Signed,) W. H. LEE,
Clk. P. C.

FINANCE DEPARTMENT,
18th September, 1868.

The undersigned has the honor to report that no Parliamentary provision was made for a Road from Fort Garry to the Lake of the Woods.

(Signed,)

JOHN ROSE,
M. of F.

[Copy]

WARRANT No. 684.

SPECIAL WARRANT.

By his Excellency the Right Honorable Charles Stanley Viscount Monck, Baron Monck of Ballytrammon, in the County of Wexford, in the Peerage of Ireland, and Baron Monck of Ballytrammon, in the County of Wexford, in the Peerage of the United Kingdom of Great Britain and Ireland, Governor General of Canada, &c., &c., &c.

To the Honorable the Receiver General of Canada.

Whereas The Honorable Minister of Public Works has submitted to me a Report setting forth the necessity for the making of a Road from Fort Garry to the Lake of the Woods,

and stating that the necessity is urgent for the expenditure of the sum of fifteen thousand dollars as recommended in his Report, and requesting the issue of a warrant forthwith for the amount, and whereas the Minister of Finance has reported that no Parliamentary provision was made for a road from Fort Garry to the Lake of the Woods, and the Minister of Public Works having represented that the expenditure of the said before-mentioned amount is urgently required in the Public Interests, and whereas an Order in Council has been passed bearing date of the 21st day of September, 1868, on the recommendation of the said Honorable Minister of Public Works and Finance, and approved by me, wherein I am requested and authorized by the 2nd sub-section of section 35 of the Act 31 Vic. Cap. 5 to issue a warrant for fifteen thousand dollars, signed by myself, towards the expense attending the construction of the said Road from Fort Garry to the Lake of the Woods.

You are hereby authorized and required to draw the said sum of fifteen thousand dollars from the Public moneys in your hands, and to place it to your credit in a special account, to be called the Fort Garry Road Special Account, and you are further required to pay out of and charge against such special account, all warrants duly signed and attested by the proper officers, which are certified by them to be for the construction of such Road; but for no other purpose.

And for your so doing this shall be to you a sufficient warrant and discharge.

(Signed,) MONCK.

QUEBEC,

This 21st day of September, in the year 1868.

COPY of a Report of a Committee of the Honorable the Privy Council, approved by His Excellency the Governor General in Council on the 9th April, 1869.

On a Memorandum, dated 20th March, 1869, from the Hon. the Acting Minister of Public Works, reporting that by an Order in Council, dated the 21st September, 1868, the sum of \$15,000 was granted towards the construction of a Road between Fort Garry and the Lake of the Woods,—a Section of the Fort William and Red River projected Road, and that the expenditure exceeds that amount by the sum of \$739 $\frac{79}{100}$; he now begs to be authorized to pay this sum of seven hundred and thirty-nine dollars and seventy-nine cents, out of the appropriation for unprovided items.

The Hon. the Minister of Finance, having reported that no Parliamentary provision was made for the expenditure referred to, and the Hon. the Acting Minister of Public Works, having represented that the payment of the above amount is urgently required in the public interest, the Committee advise that a special warrant be prepared, to be signed by your Excellency, for the said sum of seven hundred and thirty-nine $\frac{79}{100}$ dollars, as authorized by the 2nd sub-section of section 35 of the Act 31 Vic. Cap. 5.

(Certified,) W. H. LEE,
Clerk. P. C.

DEPARTMENT OF PUBLIC WORKS.

OTTAWA, March 20th, 1869.

Memorandum,—

The undersigned has the honor to report

That by an Order in Council dated 21st September, 1868, the sum of \$15,000 was granted towards the construction of a Road between Fort Garry and the Lake of the Woods, a section of the Fort William and Red River projected Road; and that the expenditure exceeds that amount by the sum of \$739 $\frac{79}{100}$.

He now begs to be authorized to pay this sum of seven hundred and thirty-nine $\frac{79}{100}$ dollars out of the appropriation for unprovided items; the expenditure being urgently required in the public interest.

Respectfully submitted,
(Signed,)

S. L. TILLEY,
Actg. Minister of Pub. Works.

PRIVY COUNCIL OFFICE.

5th April, 1869.

Referred to the Honorable the Minister of Finance.

By Order.

(Signed,)

W. H. LEE,
Clk. P. C.

FINANCE DEPARTMENT.

7th April, 1869.

The undersigned has the honor to report that no provision was made for a Road from Fort Garry to the Lake of the Woods.

(Signed,)

JOHN ROSE,
Minister of Finance.

[Copy.]

WARRANT No. 2,667.

SPECIAL WARRANT.

By His Excellency the Right Honorable Sir John Young, Baronet, G. C. B., G. C., M. G. one of Her Majesty's Most Honorable Privy Council, Governor General of Canada, &c., &c., &c.

To the Hon. The Receiver General of Canada :

Whereas the Honorable the Acting Minister of Public Works has submitted to me a report setting forth that, by an Order in Council dated the 21st September, 1868, the sum of \$15,000 was granted towards the construction of a Road between Fort Garry and the Lake of the Woods, and that the expenditure exceeds that amount by the sum of \$739 79, he now begs to be authorized to pay this sum of seven hundred and thirty nine dollars and seventy-nine cents out of the appropriation for unprovided items; and whereas the Hon. the Minister of Finance has reported that no Parliamentary provision was made for the expenditure referred to, and the Hon. the Acting Minister of Public Works having represented that the payment of the above last mentioned amount is urgently required in the public interest; and whereas an Order in Council has been passed passed, bearing date the 9th day of April, 1869, on the recommendation of the said Honorable Ministers of Public Works and Finance and approved by me, wherein I am requested and authorized by the 2nd sub-section of Section 35 of the Act 31 Vic., Cap. 5, to issue a Warrant for seven hundred and thirty-nine dollars and seventy-nine cents, signed by myself, towards the expenses attending the construction of the said Road from Fort Garry to the Lake of the Woods.

You are hereby authorized and required to draw the said sum of seven hundred and thirty-nine dollars and seventy-nine cents from the public moneys in your hands, and to place it to your credit in a Special Account to be called the Fort Garry Road Special Account, and you are further required to pay out of and charge against such Special Account all Warrants duly signed and attested by the proper officers, which are certified by them to be for the construction of such Road, but for no other purpose.

And for so doing this shall be to you a sufficient warrant and discharge.

(Signed,) JOHN YOUNG.

OTTAWA,

This 16th day of April, in the year 1869.

ORDERS IN COUNCIL RELATIVE TO CLAIM OF MRS. T. A. BEGLEY, FOR DOWER.

Copy of a Report of a Committee of the Honorable the Privy Council, approved by His Excellency the Governor General in Council on the 31st October, 1868.

The Committee have had under consideration the annexed memorandum from the Hon. the Minister of Justice, in reference to the claim put forward by Mrs. T. A. Begley for

Dower, as having been the widow of Hugh Fraser, who in 1823 sold 415 acres of land in the Township of Nepean, U. C., to the Crown, which land embraces the ground on which the Parliament and Departmental Buildings stand, and a great portion of the City of Ottawa, and they respectfully report their concurrence in the recommendation submitted by the Minister of Justice, and advise that a settlement be made in terms of his report.

(Certified,)

W. H. LEE,
Clk. P. C.

[Copy]

DEPARTMENT OF JUSTICE,
OTTAWA, Oct. 27th, 1868.

The petition of Mr. and Mrs. Begley, presented on the 14th July, 1866, claims Dower in behalf of the latter as having been the widow of Hugh Fraser, who in 1823 sold 415 acres of land in the Township of Nepean, in Upper Canada, to the Crown.

The land in question embraces the ground on which the Parliament and Departmental Buildings are erected, and a large portion of the City of Ottawa.

The claim in question appears to have been before the Courts of Law of Upper Canada on two occasions; in one action, judgment having been given by the Court in favor of the demandants, and in the second in favor of the Crown.

The petition has been before the late Solicitor General, Mr. Cockburn, who reported that, the peculiar equity which Mrs. Begley sets up, viz.: that she could not have brought her action against the Crown during the long period when the freehold was in the Crown, and that she ought not to be barred, she having commenced her action within 20 years after the creation of a tenant of the freehold, on whom alone she could serve her writ of Dower; is entitled to consideration.

He therefore recommended that a compromise should be effected, which would, in addition to satisfying the claimant, relieve the unconveyed lands from (what to some persons might appear to be) a shadow upon the title, for it should be borne in mind that until confirmed in appeal, the law of the question cannot be said to have been settled.

The undersigned refers to a letter from Mr. Begley on this subject, of the 26th October, in which he states that he and Mrs. Begley are prepared to settle the matter with the Government for the sum of three thousand five hundred pounds (£3,500) and to give an acquittance releasing the whole property originally conveyed, from all claim for Dower.

The undersigned has conferred with the Honorable the Secretary of State, on the proposed compromise, and with his sanction has the honor to recommend that it be carried into effect, and that accordingly the sum of fourteen thousand dollars (\$14,000) be paid out of any Ordnance Funds, to Mr. and Mrs. Begley, upon the execution, by them, of such Deeds or Instruments as may be considered by the undersigned necessary for obtaining a release of the claim to the Crown, and to all such as have obtained Letters Patent from the Crown for portions of the land in question.

(Signed,)

JOHN A. MACDONALD.

COPY of a Report of a Committee of the Honorable the Privy Council, approved by His Excellency the Governor General in Council on 12th November, 1868.

In reference to the Order in Council of 31st ult., directing that the amount payable to Mrs. Begley in liquidation of her claim for Dower on the Government property in Ottawa, the Auditor reports that

The Ordnance Lands have never been kept as a separate Fund, as seems implied by the Order in Council, and if they had, it has been established by custom, if not by positive enactment, that the authority of Parliament is as much required for any expenditure out of a Special Fund as out of Consolidated Fund. That there is no special Parliamentary vote against which this can be charged; that, if the payment cannot wait until Parliament reassembles, he sees nothing for it but to charge it against Arbitrations and Awards, if that

vote will bear it, or to make a special case of it, instructing him by Order in Council to make the payment and to submit to Parliament a statement of the circumstances.

He further reports that the vote for Arbitrations and Awards was only \$14,000, against which \$500 has been paid as Mr. Vankoughnet's salary for the half year; that he does not know what other charges may be likely to come in.

The Committee recommend that this payment be declared a special case and submitted to Parliament with a statement of the circumstances.

(Certified,)

WM. H. LEE,

Cik. P. C.

OFFICIAL RETURN

Of the number of copies of the Statutes (English and French versions) distributed by the Queen's Printer to the Departments, Administrative Bodies, Officers and persons in conformity with the Act 31 Vic., cap. 1, sec. 14.

By Command.

HECTOR L. LANGEVIN,
Secretary of State.

DEPARTMENT OF THE SECRETARY OF STATE,
Ottawa, April 28th 1869.

RETURN

To an Address of the HOUSE OF COMMONS, dated 21st April, 1869; For return shewing the extent of land reserved on the shores of Long Point, in the County of Norfolk, for fishing purposes, at what point such reservation commences; also whether such reservation has been leased, if so, to whom and for what purposes, the amount paid, the date of such leases, and the length of time they have to run, and whether such leases give the lessees control over such reservation, except for fishing purposes.

By command.

HECTOR L. LANGEVIN.

Secretary of State.

DEPARTMENT OF THE SECRETARY OF STATE,

Ottawa, 29th April, 1869.

STATEMENT

Of the Transactions in the Post Office Savings' Banks of Ontario and Quebec, for the first year, from the 1st April, 1868, to the 31st March, 1869.

POST OFFICE DEPARTMENT,
Ottawa, 21st April 1869.

SIR,—I have the honor to enclose herewith, to be laid before Parliament, as required by the Statute, the Account of the Post Office Savings' Bank, to the 30th June, 1868.

Accompanying the Account is a Supplementary Statement, which the Postmaster General has caused to be prepared, shewing the Transactions of the several Post Office Savings' Banks of Ontario and Quebec, for the first year, from the 1st April, 1868 (when the system came into operation), to the 31st March, 1869.

I have the honor to be, Sir,
Your very obedt. Servt.

W. WHITE,
Secretary.

The Honorable the Secretary of State,
&c., &c., &c.

STATEMENT of the transactions of the Post Office Savings Banks of Ontario and Quebec, for the first year, from the 1st April, 1868, (when the system came into operation) to the 31st March, 1869.

Name of Post Office.	Date of Establishment as a Post Office Savings Bank.	DEPOSITS.		WITHDRAWALS.		No. of open Accounts on 31st March, 1869.
		Total No. received.	Total Amount received.	Total No.	Total Amount.	
			\$ cts.		\$ cts.	
Actonvale.....	1 July, 1868.....	4	600 00	.....	.....	3
Albion	" "	6	271 00	.....	.....	5
Alexandria.....	" "	1	100 00	2	197 77	1
Almonte	1 April, "	75	5,013 00	25	2,024 05	24
Amherstburg.....	1 July, "	4	121 00	4	175 50	1
Arkona .....	" " .....	.....	.....	.....	.....	.....
Arnprior.....	1 April, "	24	2,189 00	2	31 00	15
Arthur	1 July, "	1	290 00	.....	.....	1
Aurora	1 April, "	81	8,932 00	17	1,594 82	50
Aylmer, East.....	" "	94	5,935 00	27	1,849 00	28
Aylmer, West.....	1 July, "	3	300 00	.....	.....	1
Ayr	" "	53	4,635 00	5	370 91	30
Barrie	1 April, "	100	4,321 00	23	995 46	41
Bayfield	1 July, "	7	1,091 00	.....	.....	0
Beamsville	" "	6	330 00	.....	.....	3
Beauharnois .....	" " .....	.....	.....	.....	.....	.....
Beaverton	" "	2	22 00	.....	.....	1
Belleville	1 April, "	182	8,467 00	23	1,062 73	86
Berlin	" "	34	597 00	7	219 69	14
Berthier (en haut).....	" "	14	1,559 00	6	675 00	10
Blairton	1 July, " .....	.....	.....	.....	.....	.....
Bond Head.....	" "	13	1,147 00	6	717 91	5
Bothwell	" "	55	7,740 00	12	1,287 33	29
Bowmanville.....	1 April, "	209	12,534 00	32	2,197 40	82
Bradford	" "	52	3,469 00	7	536 85	19
Brampton	" "	99	8,097 00	33	2,735 99	46
Brantford	" "	300	11,507 00	56	4,248 77	100
Brighton	" "	11	1,315 00	1	36 00	7
Brockville	" "	221	25,835 00	49	4,617 93	92
Brooklin	" "	26	3,324 00	2	202 66	15
Buckingham	" "	16	912 00	2	227 77	8
Campbellford	1 July, " .....	.....	.....	1	10 00	.....
Cannington	1 Feby., 1869.....	.....	.....	.....	.....	.....
Carleton Place.....	1 April, 1868.....	43	5,020 00	5	461 36	26
Cayuga	" "	12	1,550 00	1	155 04	9
Chambly Canton.....	1 July, "	37	774 00	4	100 81	11
Chatham, West.....	1 April, "	124	7,638 00	20	1,402 97	58
Chelsea .....	" " .....	.....	.....	.....	.....	.....
Chippawa	" "	22	1,405 00	4	70 00	13
Clarksburg.....	1 Feby., 1869.....	7	151 00	.....	.....	7
Clifton	1 July, 1868.....	115	6,094 00	16	787 74	55
Clinton	1 April, "	180	13,733 00	37	2,371 11	99
Coaticook	1 July, " .....	.....	.....	.....	.....	.....
Cobourg	1 April, "	37	2,403 00	19	579 63	13
Colborne.....	1 July, "	1	150 00	.....	.....	1
Collingwood	1 April, "	191	12,240 00	51	5,365 98	85
Compton	1 July, "	8	130 00	.....	.....	1
Cookstown	1 Feby., 1869.....	.....	.....	.....	.....	.....
Cornwall	1 April, 1868.....	33	3,405 00	12	545 04	16
Creemore	1 Feby., 1869.....	1	30 00	1	75 00	1
Danville	1 April, 1868.....	79	4,190 00	17	1,565 29	36
Dundas	" "	159	14,526 00	17	1,920 98	66
Dunnville	1 July, "	12	1,437 00	1	86 74	9
Durham	" "	22	524 00	6	232 98	10
Elora	1 April, "	117	6,449 00	24	1,359 18	48
Erin	1 July, " .....	.....	.....	.....	.....	.....
Exeter	" "	21	1,089 00	1	100 00	8
Fergus	1 April, "	18	1,165 00	7	436 16	10
Fingal	1 July, "	3	89 00	.....	.....	3
Frelighsburg	" "	3	17 00	.....	.....	2

STATEMENT of the transactions of the Post Office Savings Banks, &c.—*Continued.*

Name of Post Office.	Date of Establishment as a Post Office Savings Bank.	DEPOSITS.		WITHDRAWALS.		No. of open Accounts on 31st March, 1869.
		Total No. received.	Total Amount received.	Total No.	Total Amount.	
			\$ cts.		\$ cts.	
Galt	1 April, 1868.....	263	14,903 00	59	3,946 82	112
Gananoque.....	" "	33	3,259 00	6	213 68	20
Georgetown.....	" "	89	3,526 00	11	1,117 46	26
Goderich	" "	176	8,209 00	33	2,320 78	64
Granby	1 July, "					
Grimsby	" "	26	2,741 00	7	530 00	12
Guelph	1 April, "	303	12,778 00	41	3,382 61	128
Hamilton	" "	1,942	111,205 00	318	16,985 74	721
Hastings.....	1 July, "	1	63 00			1
Hawkesbury	1 April, "	17	3,444 00	7	551 60	12
Hespeler.....	1 July, "	11	1,303 00			7
Hull	" "					
Huntingden.....	" "	10	1,654 00			10
Ingersoll.....	1 April, "	148	5,864 00	19	1,561 86	37
Inverness	1 July, "	4	320 00			2
Iroquois	" "	19	1,589 00	3	243 17	11
Joliette	" "	3	155 00			2
Keene	1 April, "	33	2,868 00	12	477 70	22
Kemptville.....	" "	32	4,844 00	11	1,079 63	17
Kincardine	1 July, "	13	874 00			9
Kingston	1 April, "	710	45,748 00	126	6,524 55	267
Kingsville	1 July, "					
Knowlton	" "	2	4 00			2
Lachine	" "					
Lachute	" "	21	2,280 00	3	80 00	11
Lanark	" "	15	1,550 00	1	303 00	9
Laprairie	" "					
L'Assomption	" "					
Leeds	" "	8	1,760 00			3
Lennoxville	" "			3	550 00	
Lévis	1 April, "	15	406 00	1	6 04	2
Lindsay	" "	74	5,458 00	14	1,195 74	29
Listowel	1 July, "					
London.....	1 April, "	593	33,683 00	109	5,456 50	243
L'Orignal	1 July, "	7	191 00	2	28 58	3
Lucan	" "	5	400 00			2
Lucknow	" "	12	128 00			2
Lyn	" "	11	661 00	2	284 75	4
Madoc.....	" "	12	1,128 00	3	20 00	10
Manchester	1 Feby., 1869.....					
Markham	1 July, 1868.....	92	4,565 00	2	356 45	43
Meaford	" "	10	1,523 00	4	667 89	3
Melbourne	" "					
Merrickville	" "	16	1,533 00	3	250 00	11
Mill Brook	" "	16	1,816 00	3	221 31	7
Milton, West.....	" "	32	1,624 00	1	50 00	16
Montmagny	" "			2	11 10	
Montreal.....	1 April, "	859	26,505 00	257	9,158 30	249
Morpeth	1 July, "	7	400 00	1	300 00	6
Morrisburg	" "					
Mount Brydges.....	" "					
Mount Forest.....	" "	25	1,466 00	8	519 57	14
Murray Bay.....	" "					
Napanee	1 April, "	50	2,209 00	7	535 21	24
Newburgh	1 July, "	10	213 00			3
Newbury	" "	5	775 00	1	40 80	3
Newcastle	" "	39	2,896 00	6	171 67	14
New Edinburgh.....	" "					
New Hamburg.....	" "	14	625 00	8	798 96	7
Newmarket	" "	21	1,998 00	7	699 68	12
Niagara	1 April, "	7	78 00			1
Norwich	" "	95	12,018 60	24	2,154 70	54
Norwood.....	1 July, "	3	110 00			2

STATEMENT of the transactions of the Post Office Savings Banks, &c.—*Continued.*

Name of Post Office.	Date of Establishment as a Post Office Savings Bank.	DEPOSITS.		WITHDRAWALS.		No. of open Accounts on 31st March, 1869.
		Total No. received.	Total Amount received.	Total No.	Total Amount.	
			\$ cts.		\$ cts.	
Oakville.....	1 April, 1868.....	43	3,635 00	13	910 70	21
Odessa.....	1 July, ".....	1	26 00			
Oil Springs.....	1 April, ".....	3	470 00			2
Omemece.....	1 July, ".....	2	171 00	1	40 00	2
Onslow.....	" ".....					
Orangeville.....	1 April, ".....	4	375 00	1	40 00	2
Orillia.....	1 July, ".....	30	931 00	5	202 24	13
Oshawa.....	1 April, ".....	57	3,343 00	9	819 66	17
Ottawa.....	" ".....	475	29,093 00	167	9,652 27	183
Owen Sound.....	1 July, ".....	8	650 00	6	365 16	3
Paisley.....	" ".....	10	736 00	3	140 33	8
Pakenham.....	" ".....	25	3,856 00	2	1,031 60	17
Paris.....	1 April, ".....	75	4,367 00	13	1,182 56	32
Pembroke.....	" ".....	42	4,083 00	16	1,012 77	31
Penetanguishene.....	1 July, ".....	1	24 00			1
Perth.....	1 April, ".....	171	9,646 00	15	899 15	71
Peterboro'.....	" ".....	64	3,379 00	9	536 90	30
Petrolea.....	1 July, ".....	3	210 00	1	116 53	2
Pictor.....	1 April, ".....	79	4,031 00	25	1,949 06	31
Point St. Charles.....	" ".....	64	820 00	7	180 56	15
Portage du Fort.....	1 July, ".....	13	1,005 00			9
Port Burwell.....	" ".....	6	373 00	1	150 00	3
Port Colborne.....	" ".....					
Port Dalhousie.....	" ".....	2	126 00			1
Port Dover.....	" ".....	35	323 00	3	130 31	12
Port Hope.....	1 April, ".....	65	5,671 00	18	868 60	28
Port Robinson.....	1 July, ".....					
Port Rowan.....	" ".....	5	606 00			4
Pott Stanley.....	" ".....	8	467 00			7
Prescott.....	1 April, ".....	127	7,765 00	19	886 17	55
Preston.....	1 July, ".....	1	23 00			1
Prince Albert.....	1 Feby., 1869.....	8	259 00	1	150 00	3
Quebec.....	1 April, 1868.....	488	22,980 00	128	4,339 68	158
Renfrew.....	1 July, ".....					
Richmond, East.....	" ".....	18	1,675 00	1	2 03	10
Richmond Hill.....	" ".....	55	1,982 00	7	784 82	20
Rimouski.....	" ".....	13	1,310 00	3	205 00	8
Rivière du Loup (en bas).....	" ".....					
Rosemont.....	1 Feby., 1869.....			2	303 99	
St. Andrews, East.....	1 July, 1868.....	9	139 00	2	44 20	6
St. Catharines.....	1 April, ".....	131	6,340 00	27	1,500 88	53
St. Hyacinthe.....	" ".....	83	1,860 00	19	1,074 80	24
St. Johns.....	" ".....	15	613 00			6
St. Marys.....	" ".....	185	12,714 00	54	4,294 90	83
St. Paul's Bay.....	1 July, ".....	2	44 00			1
St. Roch de Quebec.....	1 Nov., ".....	9	232 00	2	40 15	1
St. Thomas, West.....	1 April, ".....	131	8,140 00	17	861 11	62
Sandwich.....	1 July, ".....	3	36 00			1
Sarnia.....	1 April, ".....	61	4,110 00	12	825 24	35
Saugeen.....	1 July, ".....	4	654 09			4
Seaforth.....	" ".....	49	4,472 00	10	890 46	31
Seneca.....	" ".....	43	4,255 00	8	1,015 01	24
Sherbrooke.....	1 April, ".....	70	2,909 00	10	705 57	33
Simcoe.....	" ".....	63	3,379 00	12	885 56	34
Smith's Falls.....	" ".....	44	5,668 00	26	3,463 24	21
Sorel.....	" ".....	33	1,590 00	9	865 00	13
South Quebec.....	1 July, ".....	5	1,130 00			4
Stanstead.....	" ".....					
Stayner.....	" ".....	21	1,047 00	6	508 17	10
Stirling.....	" ".....	9	40 00	3	40 14	1
Stouffville.....	" ".....	7	19 00			5
Stratford.....	1 April, ".....	65	3,953 00	17	687 22	30
Strathroy.....	1 July, ".....	11	605 00	2	127 00	7

STATEMENT of the transactions of the Post Office Savings Banks, &c.—*Continued.*

Name of Post Office.	Date of Establishment as a Post Office Savings Bank.	DEPOSITS.		WITHDRAWALS.		No. of open Accounts on 31st March, 1869.
		Total No. received.	Total Amount received.	Total No.	Total Amount.	
			\$ cts.		\$ cts.	
Streetsville.....	1 July, 1868.....	24	3,133 00	3	55 00	20
Thornhill.....	" ".....	23	1,603 00	2	365 00	9
Thorold.....	1 April, ".....	26	806 00	3	205 82	7
Three Rivers.....	" ".....	41	1,295 00	4	79 08	15
Thurso.....	1 July, ".....					
Tilsonburg.....	" ".....	11	666 00	3	47 00	8
Toronto.....	1 April, ".....	2,474	99,898 00	564	25,449 92	865
Trenton.....	" ".....	25	1,643 00	5	164 05	16
Uxbridge.....	1 July, ".....	8	384 00	1	6 00	3
Vankleek Hill.....	" ".....	3	267 00	3	104 85	2
Vienna.....	" ".....	5	600 00			3
Walkerton.....	" ".....	8	315 00	1	50 00	4
Wallaceburg.....	" ".....	2	200 00	2	100 00	2
Wardsville.....	" ".....	32	3,503 00	14	883 00	17
Waterdown.....	1 Feby., 1869.....	1	50 00			1
Waterford.....	1 July, 1868.....					
Waterloo, East.....	1 April, ".....	11	326 00			9
Waterloo, West.....	1 July, ".....	30	734 00	3	181 66	14
Welland.....	" ".....	8	652 00	2	85 00	6
Wellesley.....	1 Feby., 1869.....	6	220 00			5
Wellington Square.....	1 July, 1868.....	25	1,036 00	7	431 32	8
Weston.....	" ".....	22	851 00	4	146 51	9
Whitby.....	1 April, ".....	92	2,937 00	18	873 66	31
Windsor.....	" ".....	126	8,372 00	35	2,261 72	47
Woodstock.....	" ".....	216	14,260 00	42	3,458 67	98
Wroxeter.....	1 July, ".....	6	236 00	6	544 97	4
Wyoming.....	1 April, ".....	8	1,056 00	4	407 27	3
Totals.....		15,134	\$861,655 00	3,148	\$187,045 55	6,079

A. CAMPBELL,

Postmaster General.

POST OFFICE SAVINGS BANK.

AN ACCOUNT of all deposits received and paid under the authority of the Act 31 Victoria, Cap. 10, from the 1st April, (the date on which the Statute came into operation,) to the 30th June, 1868, and of the total amount due to all Depositors at the latter date.

	\$	cts.		\$	cts.
Deposits received from 1st April, to 30th June, 1868.....	212,507	00	Repayments to Depositors from 1st April, to 30th June, 1868.....	8,857	48
Interest accruing on above deposits, and added to the principal on the 30th June, 1868.....	939	37	Balance due to Depositors on 30th June, 1868 :—		
			Bearing interest at 4 per cent.....	\$129,620	82
			Bearing interest at 5 per cent.....	73,900	00
			Not bearing interest, being amount held to meet outstanding cheques... ..	1,068	07
	213,446	37		204,588	89
				213,446	37
DISPOSAL OF BALANCE.					
			Amount paid over to the Receiver General.....	203,649	52
			Interest allowed to Depositors to 30th June, 1868, and forming a charge against the Receiver General.....	939	37
			Balance due as above.....	204,588	89

STATEMENT of Expenses incurred during the three months ended 30th June, 1868.

	\$	cts.
Salaries at Central Office, and compensation paid to Postmasters.....	1,158	92
Printing, Stationery and Advertising, including preliminary expenses for those objects.....	7,136	36
Miscellaneous Expenses, including alterations, &c., in the Post Offices at Hamilton, London, Montreal and Toronto, to meet the requirements of Post Office Savings Bank business.....	94	15
	8,389	43

NOTE.—This amount of \$8,389 43, includes all liabilities incurred on account of the June Quarter, but the amount actually paid during that Quarter was only \$6,296 79, being \$850 for salaries, and \$5,356 79 on account of other expenses.

A. CAMPBELL,
Postmaster General.

J. C. STEWART,
Superintendent.

ESTIMATES OF THE DOMINION OF CANADA, FOR THE FINANCIAL YEAR ENDING 30TH JUNE, 1870.

I.—PUBLIC DEBT.

Expenditure for year, authorized by Statute, estimated at...\$5,282,363 01

DETAILS compared with 1868-9.

	1869-70.	1868-9.
	\$ cts.	\$ cts.
1. INTEREST ON PUBLIC DEBT.		
Payable in London :—		
On issues of Province of Canada.....	\$3,087,818 48	3,132,607 00
Do New Brunswick.....	293,197 20	303,629 40
Do Nova Scotia.....	270,100 00	284,910 00
Do Dominion (Intercolonial)	413,666 67	
	4,064,782 35	
Payable in Canada :—		
On issues of Province of Canada.....	\$83,921 00	219,250 00
Do New Brunswick	11,814 00	11,766 00
Do Nova Scotia	86,432 00	88,800 00
Do Dominion :—		
Debentures.....	\$ 36,000 00	
Stock.....	194,881 80	
	\$230,881 80	
On probable issue of B Stock, \$500,- 000, in 1869-70, half of which may bear interest, 1 year, \$250,000.....	\$15,000 00	
On Floating Debt.....		130,000 00
	\$245,881 80	126,000 00
	428,048 80	
Saving's Banks—Nova Scotia—on deposits.....	\$30,000 00	} 69,000 00
New Brunswick do	45,000 00	
Ontario and Quebec do	50,000 00	
	125,000 00	
	4,617,831 15	4,365,962 40
2. CHARGES OF MANAGEMENT.		
London Agents—Commission on \$4,064,782.35, at 1 per cent.....	40,647 84	37,212 00
Do Brokerage on Sinking Funds, \$421,356.69, at $\frac{1}{2}$ per cent...	1,053 00	2,477 00
Do Advertising, \$100; Telegrams, \$500; Postages, \$100; Stamps, \$3,000.....	3,700 00	3,675 00
Bank of Montreal, allowance for average circulation withdrawn.....	156,541 00	156,541 00
Do 1 per cent. on year's circulation, Provincial Notes.....	50,000 00	50,000 00
Salaries of Provincial Note Commissioners.....	2,400 00	2,400 00
Saving's Banks—New Brunswick—Commissions of Agents and Inspection Fees.....	1,500 00	1,000 00
Do Nova Scotia—Salary and contingencies of Manager's Office.	2,500 00	2,240 00
	258,341 84	255,545 00
3. PREMIUM AND EXCHANGE.		
Premium and Exchange	20,000 00	40,000 00

I.—PUBLIC DEBT.—*Continued.*DETAILS compared with 1868-9.—*Continued.*

	1869-70.	1868-9.
	\$ cts.	\$ cts.
4. REDEMPTION OF PUBLIC DEBT.		
Debentures and guaranteed Loan.....		1,558,267 00
Redemption of mutilated Notes of Province of Nova Scotia.....	50,000 00	60,000 00
	50,000 00	1,618,267 00
5. SINKING FUNDS.		
On old Debt, Province of Canada :—		
½ per cent. on £6,483,825 3s. 7d. stg. for 1869-70....	\$157,773 77	
Uninvested Dividends and interest thereon.....	93,249 58	
	251,023 35	247,713 00
On Intercolonial issues :—		
½ per cent. on £500,000 sterling and 1 per cent. on £1,500,000 sterling.....	85,166 67	.....
	336,190 02	247,713 00

SUMMARY.

	1869-70.	1868-9.
1. Interest	\$4,617,831 15	\$4,365,962 40
2. Charges of management.....	258,341 84	255,545 00
3. Premium and Exchange.....	20,000 00	40,000 00
4. Redemption	50,000 00	1,618,267 00
5. Sinking Funds	336,190 02	247,713 00
	\$5,282,363 01	\$6,527,487 40

NOTE.—The moneys temporarily invested by Government will probably yield interest in 1869-70, amounting to \$236,079 00.

II.—CIVIL GOVERNMENT.

To be voted, per Statement (A).....\$554,985 00

No. of Vote.		Details	1869-70.	Voted for 1868-9.
	(A.) ESTIMATE OF EXPENDITURE FOR WHICH VOTES OF PARLIAMENT ARE REQUIRED.		\$ cts.	\$ cts.
	The Salaries of the Staff of the several Departments at Ottawa, viz. :—			
1	The Governor General's Secretary's Office.....	(a)	8,955 00	
2	The Department of the Privy Council.....	(b)	10,550 00	
3	The Department of Justice.....	(c)	7,000 00	
4	The Department of Militia and Defence.....	(d)	15,000 00	
5	The Department of the Secretary of State.....	(e)	25,290 00	
6	The Department of the Secretary of State for the Provinces.....	(f)	5,200 00	
7	The Department of the Receiver General.....	(g)	15,850 00	
8	The Finance Department—Accounting Branch....	(h)	12,650 00	
9	Do Audit Branch.....	(i)	19,200 00	
10	The Customs Department.....	(j)	23,400 00	
11	The Inland Revenue Department.....	(k)	13,350 00	
12	The Department of Public Works.....	(l)	40,190 00	
13	The Post Office Department.....	(m)	57,650 00	
14	The Department of Agriculture.....	(n)	16,950 00	
15	The Department of Marine and Fisheries.....	(o)	12,250 00	
16	Departmental Contingencies.....	(p)	216,500 00	
17	To meet the possible amount beyond the average salaries voted, which may be required to cover the sums payable in each individual case, after the final reorganization of the Civil Service, or any extension of the staff or other change which such reorganization may require.....		40,000 00	
			539,985 00	550,000 00
18	The Dominion Offices, Nova Scotia.....		11,000 00	} 22,700 00
19	Do New Brunswick.....		4,000 00	
	Total Civil Government, to be voted.....		\$554,985 00	\$572,700 00

(B.) EXPENDITURE AUTHORIZED BY STATUTE.			1869-70.	1868-9.
			\$ cts.	\$ cts.
The salary of the Governor General.....			48,666 66	48,666 66
The salary of the Lieut. Governor of the Province of Ontario.....			8,000 00	} 30,000 00
The salary of the Lieut. Governor of the Province of Quebec.....			8,000 00	
The salary of the Lieut. Governor of the Province of Nova Scotia....			7,000 00	
The salary of the Lieut. Governor of the Province of New Brunswick....			7,000 00	
The salaries of thirteen Ministers, at \$5,000 each.....			65,000 00	65,000 00
The salary of the Governor General's Secretary.....			2,400 00	3,000 00
Total Civil Government, authorized.....			\$146,066 66	\$146,666 66

SUMMARY.

	1869-70.	1868-9.
To be voted.....	\$554,985 00	\$572,700 00
Authorized by Statute.....	146,066 66	146,666 66
Total.....	\$701,051 66	\$719,366 66

II.—CIVIL GOVERNMENT.—*Continued.*

DETAILS compared with 1868-9.

NUMBERS.		DEPARTMENTS.	SALARIES.		AVERAGE	1868-9.
1868-9.	1869-70.		Minimum.	Maximum.	TO BE VOTED, 1869-70.	
		(a) GOVERNOR'S SECRETARY'S OFFICE.	\$ cts.	\$ cts.	\$ cts.	\$ cts.
	1	Secretary	2,400 00	2,400 00	2,400 00	
	1	Chief Clerk	1,800 00	2,200 00	2,000 00	
	1	Senior 2nd Class Clerk	1,100 00	1,400 00	1,250 00	
	1	3rd or Junior 2nd Class Clerk	400 00	1,000 00	700 00	
	1	Messenger	300 00	500 00	400 00	
	1	Provincial Aide-de-Camp	1,840 00	1,840 00	1,840 00	
	2	Orderly Sergeants, at 50 cents per diem	365 00	365 00	365 00	
9	8		8,205 00	9,705 00	8,955 00	10,075 00
		(b) PRIVY COUNCIL.				
	1	Clerk of the Council	2,600 00	2,600 00	2,600 00	
	1	Assistant Clerk (Chief Clerk)	1,800 00	2,200 00	2,000 00	
	1	1st Class Clerk	1,200 00	1,800 00	1,500 00	
	1	Senior 2nd Class	1,100 00	1,400 00	1,250 00	
	2	3rd or Junior 2nd Class	800 00	2,000 00	1,400 00	
	1	Office Keeper	500 00	500 00	500 00	
	1	Door Keeper	500 00	500 00	500 00	
	2	Messengers	600 00	1,000 00	800 00	
12	10		9,100 00	12,000 00	10,550 00	12,753 33
		(c) DEPARTMENT OF JUSTICE.				
	1	Deputy Head	2,600 00	2,600 00	2,600 00	
	1	1st Class Clerk (professional)	1,200 00	1,800 00	1,500 00	
	3	3rd or Junior 2nd, 2 short-hand Writers	1,200 00	3,000 00	2,100 00	
	2	Messengers	600 00	1,000 00	800 00	
7	7		5,600 00	8,400 00	7,000 00	7,165 83
		(d) MILITIA AND DEFENCE.				
	1	Deputy Head	2,600 00	2,600 00	2,600 00	
	1	Chief Clerk and Accountant	2,000 00	2,400 00	2,200 00	
	2	Senior 3rd Class	2,200 00	2,800 00	2,500 00	
	2	3rd or Junior 2nd Class (in Accountant's Office)	800 00	2,000 00	1,400 00	
	2	3rd or Junior 2nd (general work)	800 00	2,000 00	1,400 00	
	1	1st Class Clerk (Superintendent of Stores)	1,200 00	1,800 00	1,500 00	
	3	3rd or Junior 2nd Class (in Store branch)	1,200 00	3,000 00	2,100 00	
	1	Storekeeper (not classified)	500 00	500 00	500 00	
	2	Messengers	600 00	1,000 00	800 00	
15	15		11,900 00	18,100 00	15,000 00	15,480 00
		(e) SECRETARY OF STATE.				
	1	Deputy Head	2,840 00	2,840 00	2,840 00	
.....	1	Carried forward	2,840 00	2,840 00	2,840 00	.....

II.—CIVIL GOVERNMENT.—*Continued.*
 DETAILS compared with 1868-9.—*Continued.*

NUMBERS.		DEPARTMENTS.	SALARIES.		AVERAGE TO BE VOIED, 1869-70.	1868-9.
1868-9.	1869-70.		Minimum.	Maximum.		
		(e) SECRETARY OF STATE.— <i>Cont'd.</i>				
	1	Brought forward.....	\$ cts. 2,840 00	\$ cts. 2,840 00	\$ cts. 2,840 00	\$ cts.
		Corresponding Branch.				
	1	1st Class Clerk.	1,200 00	1,800 00	1,500 00	
	2	Senior 2nd Class Clerks.....	2,200 00	2,800 00	2,500 00	
	1	3rd or Junior 2nd Class Clerk.....	400 00	1,000 00	700 00	
		Registry Branch.				
	1	Chief Clerk.....	1,800 00	2,200 00	2,000 00	
	1	Senior 2nd Class Clerk.....	1,100 00	1,400 00	1,250 00	
		Indian Branch.				
	1	Chief Clerk.....	2,000 00	2,400 00	2,200 00	
	2	Senior 2nd Class Clerks.....	2,200 00	2,800 00	2,500 00	
	2	3rd or Junior 2nd Class Clerks....	800 00	2,000 00	1,400 00	
		Ordnance Lands.				
	1	Chief Clerk.....	1,800 00	2,200 00	2,000 00	
	1	Senior 2nd Class Clerk.....	1,100 00	1,400 00	1,250 00	
	1	3rd or Junior 2nd Class Clerk.....	400 00	1,000 00	700 00	
	1	Land Bailiff (not classified).....	400 00	500 00	450 00	
		Copying and Engrossing.				
	4	3rd or Junior 2nd Clerks.....	1,600 00	4,000 00	2,800 00	
	3	Messengers	900 00	1,500 00	1,200 00	
25	23		20,740 00	29,840 00	25,290 00	25,968 10
		(f) SECRETARY OF STATE FOR THE PROVINCES.				
	1	Deputy Head.....	2,600 00	2,600 00	2,600 00	
	1	1st Class Clerk.....	1,200 00	1,800 00	1,500 00	
	1	3rd or Junior 2nd Class Clerk.	400 00	1,000 00	700 00	
	1	Messenger	300 00	500 00	400 00	
6	4		4,500 00	5,900 00	5,200 00	8,140 00
		(g) RECEIVER GENERAL.				
	1	Deputy Head.....	2,600 00	2,600 00	2,600 00	
	1	Senior 2nd, Confidential Assistant.	1,100 00	1,400 00	1,250 00	
	1	1st Class Clerk, Public Debt.....	1,200 00	1,800 00	1,500 00	
	2	Senior 2nd Class Clerks, Public Debt.	2,200 00	2,800 00	2,500 00	
	1	1st Class, Receipts and Payments.	1,200 00	1,800 00	1,500 00	
	2	Senior 2nd, do ..	2,200 00	2,800 00	2,500 00	
	1	1st Class Book-keeper.....	1,200 00	1,800 00	1,500 00	
	2	3rd or Junior 2nd Book-keepers....	800 00	2,000 00	1,400 00	
		Allowance to one 1st Class as Chief Clerk.....	400 00	200 00	300 00	
	2	Messengers.....	600 00	1,000 00	800 00	
12	13		13,500 00	18,200 00	15,850 00	16,970 00

II.—CIVIL GOVERNMENT.—Continued.
DETAILS compared with 1868-9.—Continued.

NUMBERS.		DEPARTMENTS.	SALARIES.		AVERAGE	1868-9.
1868-9.	1869-70.		Minimum.	Maximum.	TO BE VOTED, 1869-70.	
		(h) FINANCE.	\$ cts.	\$ cts.	\$ cts.	\$ cts.
	1	Deputy	2,600 00	2,600 00	2,600 00	
	1	1st Class Clerk (Book-keeper).....	1,200 00	1,800 00	1,500 00	
	1	do (Appropriation book)	1,200 00	1,800 00	1,500 00	
		Allowance to one 1st Class Clerk as Chief Clerk.....	400 00	200 00	300 00	
	1	Senior 2nd (Warrant Clerk).....	1,100 00	1,400 00	1,250 00	
	1	do Assistant Book-keeper	1,100 00	1,400 00	1,250 00	
	1	do Debenture books and Correspondence.....	1,100 00	1,400 00	1,250 00	
	3	3rd or Junior 2nd (general work).	1,200 00	3,000 00	2,100 00	
	1	Office Keeper.....	500 00	500 00	500 00	
	1	Messenger.....	300 00	500 00	400 00	
13	11		10,700 00	14,600 00	12,650 00	14,923 33
		(i) AUDIT.				
	1	Auditor.....	2,600 00	2,600 00	2,600 00	
	1	Assistant Auditor.....	2,000 00	2,400 00	2,200 00	
	1	1st Class Clerk, Appropriation Clerk.....	1,200 00	1,800 00	1,500 00	
	1	Senior 2nd, Auditing.....	1,100 00	1,400 00	1,250 00	
	1	3rd or Junior 2nd	400 00	1,000 00	700 00	
	1	1st Class Clerk, Book-keeper.....	1,200 00	1,800 00	1,500 00	
	1	Senior 2nd, Asst. do	1,100 00	1,400 00	1,250 00	
	1	3rd or Junior 2nd	400 00	1,000 00	700 00	
	1	1st Class Clerk (Statistics, &c.)...	1,200 00	1,800 00	1,500 00	
	1	3rd or Junior 2nd, general work...	400 00	1,000 00	700 00	
	1	Chief Clerk, Inspector.....	2,000 00	2,000 00	2,000 00	
	1	do Accountant of Con- tingencies.....	2,000 00	2,400 00	2,200 00	
	1	3rd or Junior 2nd, Assisting.....	400 00	1,000 00	700 00	
	1	Messenger.....	300 00	500 00	400 00	
14	14		16,300 00	22,100 00	19,200 00	18,797 50
		(j) CUSTOMS.				
	1	Commissioner.....	2,600 00	2,600 00	2,600 00	
	1	Assistant Commissioner.....	2,000 00	2,400 00	2,200 00	
	1	1st Class Clerk, Correspondence...	1,200 00	1,800 00	1,500 00	
	1	Junior 2nd, with allowance as Private Secretary.....	700 00	1,000 00	850 00	
	1	Senior 2nd, Seizures, Registration of ships, &c.....	1,100 00	1,400 00	1,250 00	
	1	1st Class Clerk, Book-keeper.....	1,200 00	1,800 00	1,500 00	
	1	Junior 2nd, Asst. do	700 00	1,000 00	850 00	
	1	Senior 2nd, Canal Returns.....	1,100 00	1,400 00	1,250 00	
	4	do Check Clerks and Statistics	4,400 00	5,600 00	5,000 00	
	8	3rd or Junior 2nd, do	3,200 00	8,000 00	5,600 00	
	2	Messengers.....	600 00	1,000 00	800 00	
18	22		18,800 00	28,000 00	23,400 00	19,577 50

II.—CIVIL GOVERNMENT.—*Continued.*DETAILS compared with 1868-9.—*Continued.*

NUMBERS.		DEPARTMENTS.	SALARIES.		AVERAGE TO BE VOTED, 1869-70.	1868-9.
1868-9.	1869-70.		Minimum.	Maximum.		
		(k) INLAND REVENUE.	\$ cts.	\$ cts.	8 cts.	\$ cts.
	1	Commissioner	2,600 00	2,600 00	2,600 00	
	1	Assistant Commissioner.....	2,000 00	2,400 00	2,200 00	
	1	1st Class Clerk (Correspondence).....	1,200 00	1,800 00	1,500 00	
	1	do Book-keeper.....	1,200 00	1,800 00	1,500 00	
	3	Senior 2nd Compilers.....	3,300 00	4,200 00	3,750 00	
	2	3rd or Junior 2nd.....	800 00	2,000 00	1,400 00	
	1	Messenger.....	300 00	500 00	400 00	
12	10		11,400 00	15,300 00	13,350 00	13,902 50
		(l) PUBLIC WORKS.				
	1	Deputy	3,500 00	3,500 00	3,500 00	
	1	Secretary, Chief Clerk.....	2,000 00	2,400 00	2,200 00	
	2	Senior 2nd, Correspondence.....	2,200 00	2,800 00	2,500 00	
	1	Junior 2nd, with allowance as Secretary.....	700 00	1,000 00	850 00	
	1	1st Class, Law matters.....	1,200 00	1,800 00	1,500 00	
	1	Junior 2nd, do	700 00	1,000 00	850 00	
	4	3rd or Junior 2nd, Journal and Records.....	1,600 00	4,000 00	2,800 00	
	1	1st Class, Book-keeping.....	1,200 00	1,800 00	1,500 00	
	1	Senior 2nd, do	1,100 00	1,400 00	1,250 00	
	1	3rd or Junior 2nd, Book-keeping.....	400 00	1,000 00	700 00	
	1	Senior 2nd Paymaster.....	1,100 00	1,400 00	1,250 00	
	2	3rd or Junior 2nd, general service.....	800 00	2,000 00	1,400 00	
	1	Chief Engineer.....	3,240 00	3,240 00	3,240 00	
	1	Asst. do	2,400 00	2,400 00	2,400 00	
	2	do ranking as 1st Class.....	2,400 00	3,600 00	3,000 00	
	4	Senior 2nd Engineers and Draughtsmen	4,400 00	5,600 00	5,000 09	
	2	3rd or Junior 3rd Engineers and Draughtsmen	800 00	2,000 00	1,400 00	
	1	Senior 2nd, Maps Records, and Draughtsman	1,100 00	1,400 00	1,250 00	
	1	Collector of Hydraulic rents (not yet classed).....	800 00	800 00	800 00	
	1	1st Class, Engineering Audit.....	1,200 00	1,800 00	1,500 00	
	1	Office Keeper.....	500 00	500 00	500 00	
	2	Messengers.....	600 00	1,000 00	800 00	
30	33		33,940 00	46,440 00	40,190 00	36,827 50
		(m) POST OFFICE.				
	1	Deputy.....	2,600 00	2,600 00	2,600 00	
	1	Secretary, Chief Clerk.....	2,000 00	2,400 00	2,200 00	
	1	1st Class Correspondence.....	1,200 00	1,800 00	1,500 00	
	1	do Establishment	1,200 00	1,800 00	1,500 00	
	1	do Dead Letters.....	1,200 00	1,800 00	1,500 00	
	1	do Stamps	1,200 00	1,800 00	1,500 00	
	3	Senior 2nd.....	3,300 00	4,200 00	3,750 00	
	10	3rd or Junior 2nd.....	4,000 00	10,000 00	7,000 00	
	1	Cashier, Chief Clerk.....	1,800 00	2,200 00	2,000 00	
	1	Senior 2nd Assistant.....	1,100 00	1,400 00	1,250 00	
	1	Accountant, Chief Clerk.....	2,000 00	2,400 00	2,200 00	
	1	1st Class, Chief Examiner.....	1,200 00	1,800 00	1,500 00	
	1	do Compiler.....	1,200 00	1,800 00	1,500 00	
.....	24	Carried forward.....	24,000 00	36,000 00	30,000 00	.....

II.—CIVIL GOVERNMENT.—Continued.
DETAILS compared with 1868-9.—Continued.

NUMBERS.		DEPARTMENTS.	SALARIES.		AMOUNT	1868-9.
1868-9.	1869-70.		Minimum.	Maximum.	TO BE VOTED, 1869-70.	
		(m) POST OFFICE.—Continued.				
	24	Brought forward.....	\$ cts. 24,000 00	\$ cts. 36,000 00	\$ cts. 30,000 00	\$ cts.
	3	Senior 2nd.....	3,300 00	4,200 00	3,750 00	
	11	3rd or Junior 2nd.....	4,400 00	11,000 00	7,700 00	
	1	Superintendent of Money Orders, Chief Clerk.....	2,000 00	2,400 00	2,200 00	
	1	1st Class Assistant.....	1,200 00	1,800 00	1,500 00	
	1	Senior 2nd	1,100 00	1,400 00	1,250 00	
	7	3rd or Junior 2nd.....	2,800 00	7,000 00	4,900 00	
	1	Superintendent of Savings Banks, Chief Clerk	1,800 00	2,200 00	2,000 00	
	2	Senior 2nd.....	1,100 00	1,400 00	1,250 00	
	1	3rd or Junior 2nd.....	800 00	2,900 00	1,400 00	
	1	Office Keeper	500 00	500 00	500 00	
	3	Messengers	900 00	1,500 00	1,200 00	
56	56		43,900 00	71,400 00	57,650 00	49,776 00
		(n,) AGRICULTURE				
	1	Deputy	2,600 00	2,600 00	2,600 00	
	1	1st Class Clerk Patents.....	1,200 00	1,800 00	1,500 00	
	1	do Statistics	1,200 00	1,800 00	1,500 00	
		Allowance to one as Chief Clerk...	400 00	200 00	300 00	
	1	Senior 2nd, Correspondence, &c..	1,100 00	1,400 00	1,250 00	
	1	do Statistics	1,100 00	1,400 00	1,250 00	
	1	Temporary attaché.....	1,200 00	1,200 00	1,200 00	
	3	3rd or Junior 2nd Patents.....	1,200 00	3,000 00	2,100 00	
	1	do Statistics	400 00	1,000 00	700 00	
	4	do General.....	1,600 00	4,000 00	2,800 00	
	1	Office Keeper.....	500 00	500 00	500 00	
	1	Repairer of Models.....	450 00	450 00	450 00	
	2	Messengers	600 00	1,000 00	800 00	
23	18		13,550 00	20,350 00	16,950 00	19,310 00
		(o) MARINE AND FISHERIES.				
	1	Deputy	2,600 00	2,600 00	2,600 00	
	1	1st Class Clerk, Fisheries	1,200 00	1,800 00	1,500 00	
	1	do General business	1,200 00	1,800 00	1,500 00	
	1	do Book-Keeper....	1,200 00	1,800 00	1,500 00	
		Allowance to one as Chief Clerk...	400 00	200 00	300 00	
	1	Senior 2nd	1,100 00	1,400 00	1,250 00	
	4	3rd or Junior 2nd.....	1,600 00	4,000 00	2,800 00	
	2	Messengers.....	600 00	1,000 00	800 00	
12	11		9,900 00	14,600 00	12,250 00	11,630 00

II.—CIVIL GOVERNMENT.—*Continued.*DETAILS compared with 1858-9.—*Continued.*

	1869-70.	1868-69.
	\$ cts.	\$ cts.
(p) CONTINGENCIES.		
The Governor General's Office.....	7,500 00	
The Privy Council.....	12,500 00	
The Department of Justice.....	8,000 00	
The Department of Militia and Defence.....	4,000 00	
The Department of the Secretary of State.....	15,000 00	
The Department of the Secretary for the Provinces.....	2,500 00	
The Department of the Receiver General.....	6,000 00	
The Finance Department.....	20,000 00	
The Customs Department.....	32,000 00	
The Inland Revenue Department.....	14,000 00	
The Department of Public Works.....	8,000 00	
The Post Office Department.....	8,000 00	
The Department of Agriculture..	10,000 00	
The Department of Marine and Fisheries.....	5,000 00	
Departments generally, including cost of stock of Stationery to be purchased.....	64,000 00	
Total Contingencies.....	\$216,500 00	

*** A round sum having been voted to cover Salaries and Contingencies for 1868-9, no comparison can be made with this year's Estimate.

III.—ADMINISTRATION OF JUSTICE.

To be voted, per Statement (A).....\$52,000 00

No. of Vote.		1869-70.	Voted 1868-9.
	(A.) ESTIMATE OF EXPENDITURE FOR WHICH VOTES ARE REQUIRED.	\$ cts.	\$ cts.
1	Circuit Allowances, Ontario.....	13,000 00	13,000 00
2	Circuit Allowances, Quebec.....	13,000 00	12,000 00
3	Circuit Allowances, Nova Scotia.....	4,000 00	1,600 00
4	Circuit Allowances, New Brunswick.....	4,000 00	2,000 00
5	Travelling Expenses Judges, County Courts, Ont.	7,800 00	7,800 00
6	Travelling Expenses Judges, District of Algoma..	200 00	200 00
7	Miscellaneous	10,000 00	10,000 00
	Total to be voted.....	52,000 00	\$46,600 00

(B.) ESTIMATE OF EXPENDITURE AUTHORIZED BY STATUTE.

Province of Ontario.

<i>Court of Error and Appeal</i> —Salary of Chief Justice.....	1,666 66	1,666 66
<i>Court of Queen's Bench</i> —Salary of Chief Justice.....	5,000 00	5,000 00
Salaries of two Puisne Judges, at \$4,000 each.....	8,000 00	8,000 00
<i>Court of Chancery</i> —Salary of Chancellor.....	5,000 00	5,000 00
Salaries of two Vice-Chancellors, at \$4,000 each.....	8,000 00	8,000 00
<i>Court of Common Pleas</i> —Salary of Chief Justice.....	5,000 00	5,000 00
Salaries of two Puisne Judges, at \$4,000 each.....	8,000 00	8,000 00
<i>Salaries of Judges of County Courts</i>	86,200 00	89,700 00
<i>Salary of Judge</i> —District of Algoma.....	2,000 00	2,000 00

Province of Quebec.

<i>Court of Queen's Bench</i> —Salary of Chief Justice.....	5,000 00	5,000 00
Salaries of four Puisne Judges, at \$4,000 each.....	16,000 00	16,000 00
<i>Superior Court</i> —Salary of one Chief Justice	5,000 00	5,000 00
Salaries of seven Puisne Judges, at \$4,000 each	28,000 00	28,000 00
Salaries of seven Puisne Judges, at \$3,200 each	22,400 00	22,400 00
Salaries of three Puisne Judges, at \$2,800 each	8,400 00	8,400 00
<i>Court of Vice-Admiralty</i> —Salary of Judge.....	2,000 00	2,000 00
Salary of Registrar.....	666 66	666 66
Salary of Marshall.....	333 34	333 34
Carried forward.....	216,666 66	220,166 66

III.—ADMINISTRATION OF JUSTICE.—*Continued.*

	1869-70.	Voted 1868-9.
(B) ESTIMATE OF EXPENDITURE AUTHORIZED BY STATUTE.—<i>Cont'd.</i>		
	\$ cts.	\$ cts.
<i>Brought forward</i>	216,666 66	220,166 66
<i>Province of Nova Scotia.</i>		
Salary of Chief Justice.....	4,000 00	3,200 00
Salary of Judge in Equity.....	4,000 00	3,200 00
Salary of one Assistant Judge.....		3,250 00
Salary of three Judges, at \$3,200 each.....	9,600 00	8,400 00
<i>Province of New Brunswick.</i>		
Salary of Chief Justice.....	4,000 00	2,800 00
Salary of Mr. Justice Parker.....	4,000 00	3,200 00
Salary of three Puisne Judges, at \$3,200 each.....	9,600 00	7,200 00
Salary of five County Judges, at \$2,000 each.....	10,000 00	10,000 00
Additional to salaries of Judges in New Brunswick and Nova Scotia, in Estimates of 1868-9.....		8,000 00
Total authorized by Statute.....	\$261,866 66	269,416 66

SUMMARY.

	1869-70.	1868-9.
To be voted.....	\$52,000 00	\$46,600 00
Authorized.....	261,866 66	269,416 66
Total Administration of Justice.....	\$313,866 66	316,016 66

IV.—POLICE.

ESTIMATE of Expenditure for which votes are required (A)...\$43,440 00

No. of Vote.	Details.	1869-70.	Voted for 1868-9.
	(A)	\$ cts.	\$ cts.
1	Police of the Dominion.	20,000 00	25,000 00
2	Harbour Police, Montreal (a)	11,628 00	} 30,000 00
3	River Police, Quebec (b)	11,812 00	
		\$43,440 00	\$55,000 00

DETAILS compared with 1868-9.

	1869-70.	1868-9.
(a) HARBOUR POLICE, MONTREAL.	\$ cts.	\$ cts.
Paylist, from 1st July, 1869, to 30th June, 1870	10,152 50	
Clothing for men	531 80	
Sundry Contingencies of Force	943 70	
	11,628 00	* * *
(b) RIVER POLICE, QUEBEC.		
Paylists of Officers and Men, from 1st July to 30th Nov., 1869	7,291 90	
do do from 1st May to 30th June 1870	3,168 20	
Clothing, boots and hats	1,149 27	
Repairs and sail for boat, and other contingencies.....	202 07	
	11,811 44	* * *
*** \$30,000 was voted <i>en bloc</i> last year for Police, Quebec and Montreal.		

SUMMARY.	1869-70.	1868-9.
Estimated Receipts, Quebec	21,000 00	
Do Montreal	3,200 00	
	24,200 00	
Estimated Expenditure, Quebec \$11,811 94		
do Montreal 11,628 00		
	23,439 94	
Excess of Receipts	760 06	

V.—LEGISLATION.

Amount to be voted, per Statement (A).....\$260,617 93

No. of Vote.	Details	1869-70.	Voted for 1868-9.
(A.) ESTIMATE OF EXPENDISURE FOR WHICH VOTES ARE REQUIRED.		\$ cts.	\$ cts.
<i>Senate.</i>			
1	Salaries and Contingent Expenses of the Senate..... (a)	45,634 18	67,533 63
<i>House of Commons.</i>			
2	Salaries and Contingencies, per Clerk's Estimate..... (b)	79,265 00	111,980 00
3	Salaries and Contingencies, per Sergeant-at-Arms Estimate..... (c)	40,868 75	49,510 00
4	Gratuity to Officers whose services were dispensed with at end of Session of 1867-8..... (d)	1,450 00	.....
<i>Miscellaneous.</i>			
5	Contingencies of the Clerk of the Crown in Chancery.....	1,000 00	*2,120 00
6	Grant to Parliamentary Library.....	6,000 00	6,000 00
7	Miscellaneous Printing.....	2,000 00	2,000 00
8	Printing and Binding Statutes.....	20,000 00	20,000 00
9	Printing, Printing-paper and Bookbinding.....	40,000 00	40,000 00
10	Commission for making provision for the uniformity of the Laws of the Provinces.....	20,000 00	.....
11	Consolidation of Criminal Law.....	2,000 00	.....
12	St. Lawrence and Ottawa Railway, for two Special Parliamentary trains daily during Session of Parliament (estimated).....	2,400 00	.....
		\$260,617 93	\$299,143 63
* Includes the salary of the Clerk of the Crown in Chancery, forming part of Estimate for "Civil Government," in 1869-70.			
(B.) ESTIMATE OF EXPENDITURE AUTHORIZED BY STATUTE.		1869-70.	1868-9.
<i>Senate.</i>			
Salary of Speaker.....		3,200 00	3,200 00
Indemnity to Members.....		43,200 00	43,200 00
Mileage.....		7,045 00	7,045 00
<i>House of Commons.</i>			
Salary of Speaker.....		3,200 00	3,200 00
Indemnity to Members.....		108,600 00	108,600 00
Mileage.....		15,000 00	14,250 00
<i>Election Expenses.</i>			
To meet unforeseen Elections.....		3,000 00	3,000 00
		\$183,245 00	\$182,495 00

SUMMARY.

	1869-70.	1868-9.
Total Expenditure to be voted.....	\$260,617 93	\$299,143 63
Total Expenditure authorized.....	183,245 00	182,495 00
Total Legislation.....	\$443,862 93	\$481,638 63

V.—LEGISLATION.—*Continued.*

DETAILS compared with 1868-9.

NUMBERS.			1869-70.	1868-9.
1868-9.	1869-70.			
		(a) SALARIES AND CONTINGENCIES OF THE SENATE.		
		<i>Officers and Clerks.</i>		
1	1	Clerk, Master in Chancery, Cashier and Accountant.....	2,400 00	3,400 00
1	1	Deputy Clerk, Clerk Assistant, Master in Chancery and Chief French Translator.....	2,000 00	2,600 00
1	1	Deputy Clerk, Clerk Assistant and Master in Chancery...	2,000 00	2,600 00
1	1	Law Clerk, Clerk of Committees and English Translator..	1,600 00	2,600 00
	1	First English Clerk.....	1,100 00	
	1	Second do	1,000 00	
8	1	English Clerk.....	800 00	9,365 00
	1	First French Translator and Clerk.....	1,300 00	
	1	Second do	1,200 00	
1	1	Clerk of French Journals.....	900 00	1,200 00
.....	1	Chaplain and Librarian		2,400 00
2	1	Gentleman Usher of the Black Rod and Serjeant at Arms	1,000 00	1,350 00
				350 00
		<i>Housekeepers and Messengers.</i>		
1	1	House Keeper.....	800 00	800 00
1	1	Postmaster	800 00	850 00
	1	Library Messenger.....	700 00	
7	1	Speaker's Messenger	700 00	4,920 00
	1	Assistant House Keeper, News Room, &c.....	700 00	
	1	Assistant Door Keeper, Wardrobe, &c.....	500 00	
4	2	Watchmen and Messengers at \$500 each.....	1,000 00	2,190 00
1	1	Door Keeper.....	400 60	600 00
		<i>Miscellaneous.</i>		
8	5	Sessional Messengers at \$200 each.....	1,000 00	2,760 00
4	4	Pages, 120 days, at \$1.50 per diem.....	720 00	720 00
		House Keepers, Disbursements to Chairmen, &c.....	1,440 00	1,440 00
		Stationery.....	4,000 00	4,000 00
		Newspaper Subscriptions.....	4,000 00	4,000 00
		Carpentry work, \$100 per month.....	1,200 00	1,200 00
		Queen's Printer, for Canada Gazette.....	726 68	290 82
		Postage.....	1,000 00	1,000 00
		Sundry Trademen's Accounts.....	4,000 00	4,000 00
		Insurance on Library and Furniture.....	647 50	647 50
		Gas.....	2,000 00	2,000 00
		Unforeseen Charges and Miscellaneous.....	4,000 00	10,250 31
41	30	Totals.....	45,634 18	67,533 63
		(b) SALARIES AND CONTINGENCIES OF THE HOUSE OF COMMONS.		
		<i>Officers and Clerks</i>		
1	1	Clerk	2,975 00	3,400 00
2	1	Clerk Assistant and Chief Clerk Controverted Elections..	1,925 00	4,400 00
1	1	Sergeant at Arms.....	1,662 50	1,900 00
1	1	Law Clerk.....	2,975 00	3,400 00
1	1	Assistant Law Clerk and Chief English Translator.	1,750 00	2,000 00
1	1	do French do	1,750 00	2,000 00
1	1	Accountant	1,750 00	2,000 00
1	1	Assistant Accountant and Book Keeper.....	1,050 00	1,200 00
1	1	Clerk of Routine and Record.....	1,050 00	1,200 00
1	1	Chief Office Clerk and Clerk Printing Committee.....	1,750 00	2,100 00
11	10	Carried forward.....	18,637 50	23,600 00

V.—LEGISLATION.—*Continued.*DETAILS compared with 1868-9.—*Continued.*

Nos.			1869-70.	1868-9.
1868-9.	1869-70.			
		SALARIES AND CONTINGENCIES OF THE HOUSE OF COMMONS.— <i>Continued.</i>		
		<i>Officers and Clerks.—Continued.</i>	\$ cts.	\$ cts.
11	10	<i>Brought forward.....</i>	18,637 50	23,600 00
2	1	English Writing Clerk.....	800 00	3,400 00
1	1	French do	1,050 00	
9	8	Junior Clerks, at \$800 each.....	6,400 00	7,200 00
2	1	Assistant Clerk, Controverted Elections.....	1,400 00	3,000 60
1	1	Chief Clerk of Committees and Clerk Private Bills.....	1,750 00	2,000 00
1	1	Second do and Clerk Railway Committees	1,312 50	1,500 00
1	1	Third do	800 00	1,200 00
1	1	Clerk of Votes and Proceedings.....	1,225 00	1,400 00
1	1	Translator do and Journals.....	1,575 00	1,800 00
1	1	Assistant French Translator.....	1,400 00	1,600 00
2	2	do do at \$1,225 each.....	2,450 00	2,800 00
2	1	do do	875 00	2,000 00
2	2	do English Translators, at \$1,400 each.....	2,800 00	3,200 00
1	1	do do	1,225 00	1,400 00
1	1	do do	1,050 00	1,200 00
1	1	English Journal Clerk	1,400 00	1,600 00
1	1	French do	1,225 00	1,400 00
2	1	Asst. English do	875 00	2,000 00
1	1	Librarian.....	2,100 00	2,400 00
1	1	Assistant Librarian.....	1,575 00	1,800 00
1	1	Library Clerk	1,225 00	1,400 00
3	1	Postmaster, (one Postmaster, one Assistant do, one Messenger, in 1868-9).....	875 00	2,550 00
		<i>Extra Service.</i>		
24	10	Speaker's Secretary.....	400 00	625 00
		Ten Extra Clerks, 100 days, at \$4.....	4,000 00	12,000 00
		Expenses of Committees.....	1,000 00	1,000 00
		Stationery.....	4,500 00	6,500 00
		Postages and Telegrams.....	5,000 00	5,000 00
		Insurance on Library, furniture, &c.....	1,500 00	2,000 00
		Newspapers and advertising.....	4,000 00	4,000 00
		Pensions	840 00	840 00
		Miscellaneous.....	4,000 00	9,565 00
73	51		79,265 00	111,980 00
		(c) SALARIES AND CONTINGENCIES, HOUSE OF COMMONS.		
		<i>Sergeant at Arms, Estimate.</i>		
1	1	Chief Messenger.....	1,160 00	
1	1	Asst. do	900 00	
16	1	Speaker's do	700 00	
	12	Permanent Messengers, at \$600 each.....	7,200 00	
42	2	do at \$500 and \$400.....	900 00	
	23	Sessional Messengers, 100 days, at \$2.....	4,600 00	
10	9	do Pages, 100 days, at \$1.50	1,350 00	
1	1	Door Keeper.....	700 00	
1	1	Distributor of Public Documents.....	600 00	
4	2	Night Watchmen, at \$400 each	800 00	
1	1	House Carpenter.....	550 00	
30	10	Permanent Charwomen, at 50 cents per diem.....	1,625 00	
	10	Additional do during Session, 100 days each, at 50 cents.....	500 00	
107	74	<i>Carried forward.....</i>	21,585 00	

V.—LEGISLATION.—*Continued.*DETAILS compared with 1868-9.—*Continued.*

NUMBERS.			1869-70.	1868-9.
1868-9.	1869-70.			
		SALARIES AND CONTINGENCIES, HOUSE OF COMMONS.— <i>Continued.</i>		
		<i>Sergeant-at-Arms Estimate.—Continued.</i>	\$ cts.	\$ ois.
107	74	<i>Brought forward</i>	21,585 00	.....
		Contingencies, &c., House Keepers' Department.....	750 00	
	1	Engineer, at \$2.50 per day.....	912 50	
5	1	Stoker, at \$1.25 per day.....	456 25	
	3	Assistant Stokers, at \$1 per day.....	750 00	
1	1	Fire Lighter, at \$1 per day.....	90 00	
		Removing snow.....	200 00	
1	1	Gasman during Session.....	125 00	
		Gas, fuel and water.....	11,000 00	
		Tradesmen and others.....	5,000 00	
114	81		40,868 75	49,510 00
		(d) Amount allowed by the Commissioners as a gratuity to Officers whose services were dispensed with at the end of the Session of 1867-8, in conformity with the Report of the Committee on Contingencies :—		
	2	Six months' salary, \$425 each	850 00	.....
	1	Three do \$350 do	350 00	.....
	1	Three do \$250 do	250 00	.....
Nil.	4		1,450 00	.....

VI.—GEOLOGICAL SURVEY AND OBSERVATORIES.

Amount to be voted, per Statement (A).....\$9,700 00

No. of Vote.		1869-70.	1868-9.
	(A.) ESTIMATE OF EXPENDITURE FOR WHICH VOTES ARE REQUIRED.	\$ cts.	\$ cts.
	<i>Observatories.</i>		
1	Observatory, Quebec.....	2,400 00	2,450 00
2	Do Toronto.....	4,800 00	4,800 00
3	Do Kingston.....	500 00	500 00
4	Do Montreal.....	500 00	500 00
5	Do Halifax.....	750 00	} 1,500 00
6	Do New Brunswick.....	750 00	
	Total to be voted.....	\$9,700 00	9,750 00
	(B.) ESTIMATE OF EXPENDITURE AUTHORIZED BY STATUTE.	1869-70.	1868-9.
	Geological Survey	30,000 00	30,000 00
	Total Geological Survey and Observatories.....	\$39,700 00	\$39,750 00

VII.—ARTS, AGRICULTURE AND STATISTICS.

ESTIMATE of Expenditure for which votes are required, \$6,100 00, viz :

No. of Vote.		1869-70.		Voted for 1868-9.	
		\$	cts.	\$	cts.
1	Salaries and contingent expenses of Statistics Office, Halifax.....	3,810	00	} (a)	
2	Salaries of 316 Deputy Registrars, Nova Scotia.....	1,580	00		
3	Collecting Statistics of Births, Marriages and Deaths ...	710	00		2,500 00
	Total.....	\$6,100 00		\$2,500 00	

(a) Omitted in 1868-9.

VIII.—IMMIGRATION AND QUARANTINE.

ESTIMATE of Expenditure for which votes are required, \$55,270 00, viz :

No. of Vote.	SERVICE.	Details.	1869-70.	Voted for 1868-9.
			\$ cts.	\$ cts.
1	Salaries of Immigration Agents and Employés...	(a)	11,710 00	6,250 00
	Medical Inspection, Port of Quebec.....	(b)	2,600 00	2,000 00
	Quarantine, Grosse Isle.....	(c)	11,000 00	11,825 00
	Do St. John, N.B.....	(d)	3,900 00	4,000 00
	Do Halifax, N.S.....	(e)	4,060 00	3,000 00
	Contingent Expenses in Europe.....		3,000 00	} 3,500 00
	Do in Canada.....		4,000 00	
	Transport and aid to Immigrants.....		5,000 00	5,000 00
	To meet possible expenses of Immigration.....		10,000 00	.....
Total to be voted.....			\$55,270 00	\$35,575 00

Details compared with 1868-9.

NUMBERS.			1869-70.	1868-9.
1868-9.	1869-70.			
		(a) SALARIES OF IMMIGRATION AGENTS, &c.	\$ cts.	\$ cts.
1	1	Agent at Quebec.....	1,200 00	
1	1	Assistant do	1,000 00	
1	1	Norwegian Interpreter at Quebec.....	250 00	
1	1	Messenger do	200 00	
1	1	Agent at Montreal.....	1,200 00	
1	1	Do Ottawa.....	800 00	
1	1	Do Kingston.....	800 00	
1	1	Do Toronto	1,060 00	
1	1	Do Hamilton.....	800 00	
1	1	Do Miramichi.....	400 00	
1	1	Do St. John, N. B.....	860 00	
1	1	Do Halifax, N. S.....	1,000 00	
1	1	Deputy Agent at Halifax, N. S.....	400 00	
1	1	Agent at London, England.....	1,000 00	
	1	Assistant Agent for the Continent.....	800 00	
13	15		\$11,710 00	6,250 00
		(b) MEDICAL INSPECTION, PORT OF QUEBEC.		
2	2	Inspectors, at \$1,200 and \$600.....	1,800 00	
		Boat and Crew.....	800 00	
			\$2,600 00	\$2,000 00

NOTE.—A comparison of details cannot be made for services (a) and (b), in consequence of the original Estimates for 1863-9, submitted in detail, having been reduced as a whole by the Privy Council^a

VIII.—IMMIGRATION AND QUARANTINE.—*Continued.*DETAILS compared with 1868-9.—*Continued.*

NUMBERS.			1869-70.	1868-9.
1868-9.	1869-70.			
		(c) QUARANTINE, GROSSE ISLE.		
		<i>Salaries.</i>	\$ cts.	\$ cts.
1	1	Medical Superintendent.....	1,000 00	1,000 00
1	1	Hospital Steward.....	450 00	450 00
1	1	Sergeant of Police.....	256 00	256 00
1	1	Norwegian Interpreter.....	240 00	240 00
1	1	Assistant Hospital Steward.....	180 00	180 00
1	1	Hospital Orderly.....	180 09	180 00
1	1	Hospital Cook.....	150 00	150 00
2	2	Nurses, at \$144 each.....	288 00	288 00
3	3	Constables, at \$180 each.....	540 00	540 00
1	1	Baker, at \$1 per day (paid out of Contingencies).....		
3	3	1 Coxwain and 2 Boatmen, at \$210 each.....	630 00	630 00
2	2	Boatmen, at \$180 each.....	360 00	360 00
		Transport, Boat and Steamboat Service.....	1,800 00	
		Food and Medicines.....	1,600 00	} 7,551 00
		All other Expenses.....	3,326 00	
18	18		\$11,000 00	\$11,625 00
		(d) QUARANTINE, ST. JOHN, N. B.		
1	1	Inspecting Physician.....	1,200 00	1,200 00
1	1	Assistant do.....	400 00	400 00
1	1	Hospital Steward.....	300 00	300 00
		Boat Service.....	1,000 00	1,000 00
		Other Expenses.....	1,000 00	1,100 00
3	3		\$3,900 00	\$4,000 00
		(e) QUARANTINE, HALIFAX, N. S.		
1	1	Inspecting Physician.....	1,000 00	1,000 00
1	1	Steward at Quarantine Station.....	560 00	560 00
		Boat Service.....	1,000 00	1,000 00
		Fittings and Bedding.....	1,000 00	
		Contingencies.....	500 00	440 00
2	2		\$4,060 00	\$3,000 00

IX.—MARINE HOSPITALS.

AMOUNT to be voted (A).....\$34,500 00

No. of Vote.		Details	1869-70.	Voted for 1868-9.
	(A) ESTIMATE OF EXPENDITURE FOR WHICH VOTES ARE REQUIRED.		\$ cts.	\$ cts.
1	Marine and Emigrant Hospital, Quebec	(a)	17,500 00	20,000 00
2	Marine Hospitals, New Brunswick and Nova Scotia, and Maintenance of Sick and Distressed Seamen at the several Ports of the Dominion, and Shipwrecked Seamen		17,000 00	17,000 00
	Total		34,500 00	37,000 00

DETAILS of the above Estimates compared with 1868-9.

NUMBERS.			1869-70.	1868-9.
1868-9.	1869-70.			
		(a) MARINE HOSPITAL, QUEBEC.	\$ cts.	\$ cts.
1	1	President of Board of Trustees	400 00	400 00
2	2	Trustees, at \$200 each	400 00	400 00
1	1	Secretary Treasurer	600 00	600 00
4	4	Visiting Physicians, at \$400 each.....	1,600 00	1,600 00
1	1	House Surgeon.....	800 00	800 00
1	1	Matron.....	300 00	300 00
		Nurses and Orderlies	1,600 00	1,600 00
		Food	6,000 00	6,000 00
		Medicines and Cordials.....	1,200 00	1,200 00
		Fuel	1,800 00	1,800 00
		Light	700 00	700 00
		Washing	1,000 00	1,000 00
		Furniture and Bedding.....	1,000 00	1,000 00
		All other expenses.....	4,100 00	2,600 00
			21,500 00	
		LESS—Payable by Quebec Government	4,000 00	
10	10		17,500 00	20,000 00

X. PENSIONS.

Amount to be voted, per Statement (A).....\$16,072 75

No. of Vote.		1869-70.	Voted for 1868-9.
	(A) ESTIMATE OF PENSIONS FOR WHICH VOTES ARE REQUIRED FOR 1869-70.	\$ cts.	\$ cts.
1	Samuel Waller, late Clerk, House of Assembly.....	400 00	400 00
2	L. Gagné, Messenger, do	72 00	72 00
3	John Bright, do do	80 00	80 00
4	Mrs. Antrobus.....	800 00	800 00
5	P. Bouchard, for wounds received.....	100 00	100 00
	<i>New Militia Pensions.</i>		
6	Mrs. Caroline McEachern, and 4 children.....	292 00	319 00
7	Jane Lakey.....	146 00	146 00
8	Rhoda Smith.....	110 00	110 00
9	Janet Alderson.....	110 00	110 00
10	Margaret McKenzie.....	80 00	80 00
11	Mary Ann Richey, and 2 children.....	336 00	192 00
12	Mary Morrison.....	80 00	80 00
13	Louise Prud'homme, and 2 children.....	130 00	130 00
14	Virginie Charron, and 4 children.....	150 00	37 50
15	Paul M. Robins.....	146 00	146 00
16	Chs. T. Bell.....	73 00	73 00
17	Alex. Oliphant.....	109 50	109 50
18	Chas. Lugsden.....	91 25	91 24
19	Jno. White.....	109 50	109 50
20	Thos. Charters.....	91 25	91 24
21	Samuel McCrag.....	109 50	109 50
22	Charles T. Robertson.....	110 00	110 00
23	Percy G. Routh.....	400 00	400 00
24	Richard S. King.....	400 00	400 00
25	George A. McKenzie.....	73 00	73 00
26	Edward Hilder.....	146 00	146 00
27	Fergus Scholfield.....	73 00	73 00
28	John Bradley.....	109 50	109 50
29	Richard Penticost.....	91 25	91 24
30	John Côté.....	109 50	109 50
31	George Elliott.....	73 00	73 00
None.	George Prentice.....		400 00
32	James Bryan.....	109 50	109 50
33	Jacob Stubbs.....	73 00	73 00
34	Mary Connor.....	110 00	110 00
35	Mary Hodgins, and 3 children.....	191 00	191 00
36	John Martin.....	110 00	110 00
37	A. E. Marchand.....	110 00	
38	A. W. Stevenson.....	110 00	
39	J. Thorburn.....	150 00	
40	P. T. Worthington.....	378 00	
41	J. H. Elliott.....	130 00	
42	George Prentice.....	400 00	
None.	Additional Pensions		1,810 00
	COMPENSATION TO PENSIONERS.		
43	In lieu of land.....	9,000 00	9,450 00
	Total to be voted.....	\$16,072 75	\$17,225 00

X.—PENSIONS.—*Continued.*

	1869-70.	1868-9.
(B) ESTIMATE OF PENSIONS AUTHORIZED BY STATUTE.		
	\$ cts.	\$ cts.
PENSIONS TO JUDGES.		
<i>Ontario.</i>		
Hon. W. H. Draper, as late Chief Justice Court of Queen's Bench, U. C.	3,333 36	.....
<i>Quebec.</i>		
Hon. C. D. Day, late Judge Superior Court, L. C.	2,666 64	2,666 64
Hon. T. C. Aylwin, do Court of Queen's Bench, L. C.	2,666 64	.....
Hon. J. C. Bruneau, do Superior Court, L. C.	2,133 33	2,133 32
<i>Nova Scotia.</i>		
Hon. J. G. Marshall.	1,200 00	1,200 00
Hon. W. L. Sawers.	1,200 00	1,200 00
Hon. H. W. Crawley.	1,200 00	1,200 00
Hon. J. S. Morris (retired). ....	.....	1,200 00
Hon. W. B. Bliss.	2,166 66	.....
MISCELLANEOUS PENSIONS.		
<i>Late Province of Canada.</i>		
Hon. W. H. Blake, late Chancellor, U. C.	3,333 32	3,333 32
Mrs. Vallière de St. Réal.	800 00	800 00
Jane Livingston.	222 20	222 20
Sophia Shaw.	444 40	444 40
James Nation.	500 00	500 00
Harriet McNab.	200 00	200 00
Sarah Usher.	400 00	400 00
R. H. Thornhill.	500 00	500 00
P. L. Panet.	888 84	888 84
J. H. Bédard.	500 00	500 00
G. H. Ryland, as late Clerk Executive Council.	444 40	444 40
Do do Secretary Board of Jesuits' Estates.	200 00	200 00
<i>Dominion.</i>		
Mrs. McGee.	1,200 00	.....
<i>Militia Pensions.</i>		
For Widows and Militiamen, U. C. (war of 1812).	10,000 00	11,300 00
Do L. C. do	2,800 00	3 600 00
Total Pensions Authorized.	\$38,999 79	32,933 12

SUMMARY.

	1869-70.	1868-9.
Total to be voted.	\$16,072 75	\$17,225 22
Total authorized by Statute.	38,999 79	32,933 12
	\$55,072 54	\$50,158 34

XI.—PUBLIC WORKS AND BUILDINGS.

Amount to be voted (A).....\$3,638,385 00

No. of Vote.		Details	1869-70.	1868-9.
	(A) ESTIMATE OF EXPENDITURE FOR WHICH VOTES OF THE LEGISLATURE ARE REQUIRED.		\$ cts.	\$ cts.
	<i>Dominion Railways.</i>			
1	Intercolonial Railway.....		2,000,000 00	*75,000 00
2	Halifax, Pictou and Windsor Railway, N. S.....		139,000 00	80,000 00
3	European and North American Railway, N. B.....		21,585 00	20,000 00
	<i>Canals.</i>			
4	For works of construction, &c.....	(a)	198,100 00	208,500 00
	<i>Public Works.</i>			
5	Harbors, Piers, &c. (Revote).....	(b)	72,000 00	72,000 00
6	Roads and Bridges.....	(c)	6,000 00	6,000 00
7	Slides and Booms.....		15,000 00	15,000 00
8	Surveys and Inspections.....		15,000 00	15,000 00
9	Arbitrations and Awards.....		10,000 00	14,000 00
10	Miscellaneous charges not otherwise provided for.....		10,000 00	10,000 00
	<i>Public Buildings.</i>			
11	For Public Buildings generally.....	(d)	138,500 00	232,000 00
12	For Rents, Repairs and Maintenance of Public Buildings.....	(e)	82,500 00	80,500 00
	<i>Railway Subsidies, Chargeable to Provinces.</i>			
13	Windsor and Annapolis Railway, Nova Scotia.....		233,000 00	500,000 00
14	Western Extension, E.N.A. Railway, New Brunswick.....		445,000 00	500,000 00
15	Eastern do do do.....		85,000 00	290,000 00
16	Fredericton Branch Railway, do.....		102,500 00	215,000 00
17	Woodstock Branch Railway, do.....		65,200 00	50,000 00
18	Stock, Western Extension E. & N. A. Railway, N. B.....			120,000 00
	Totals.....		3,638,385 00	2,503,000 00

* Voted for Survey in 1868-9.

XI.—PUBLIC WORKS AND BUILDINGS.—*Continued.*

DETAILS Compared with 1868-9.

	1869-70.	1868-9.
(a) CANALS.	\$ cts.	\$ cts.
Lachine Canal,	34,000 00	} 30,000 00
Cornwall Canal,	27,000 00	
Welland Canal—		
Deepening to Lake Erie level.....	\$50,000 00 }	52,200 00
To enlarge Port Colborne basin.....	8,000 00 }	
Chambly Canal—Houses for Lock Keepers.....	3,850 00	.....
Rideau Canal—Houses for bridge keepers and works required to increase water supply.....	10,000 00	10,000 00
St. Peter's Canal, Cape Breton, N. S.....	50,000 00	102,000 00
Miscellaneous works chargeable to construction.....	15,250 00	14,300 00
	\$198,100 00	208,500 00
(b) HARBORS, PIERS, &c.		
Harbors of Refuge, Improvements and Breakwaters, (Revote).....	50,000 00	50,000 00
Dredges and scows, purchase of same (Revote).	22,000 00	22,000 00
	\$72,000 00	*72,000 00
(c) ROADS AND BRIDGES.		
Roads and Bridges generally.....	6,000 00	6,000 00
(d) PUBLIC BUILDINGS.		
Parliament and Departmental Buildings, Ottawa (Revote)	93,000 00	100,000 00
Rideau Hall.....	5,000 00	107,000 00
Two years' Interest on purchase of land at Montreal.....	10,500 00	.....
Quarantine Station, Halifax.....	10,000 00	.....
Public Buildings generally.....	20,000 00	25,000 60
	138,500 00	232,000 00
(e) MAINTENANCE, &c., PUBLIC BUILDINGS.		
Rents, Repairs, Insurance and Furniture for Public Buildings.....	50,000 00	50,000 00
Public Buildings, Ottawa—Heating.....	32,500 00	.....
	\$82,500 00	\$50,000 00

* Not expended.

XII.—OCEAN AND RIVER STEAM AND PACKET SERVICE.

Amount to be voted (A).....\$134,941 00.

No. of Vote.		1869-70.	Voted for 1868-9.
	(A) ESTIMATE OF EXPENDITURE FOR WHICH VOTES OF THE LEGISLATURE ARE REQUIRED.	\$ cts.	\$ cts.
	<i>Dominion Steamers.</i>		
1	Maintenance of Steamers, Quebec.....	38,000 00	60,000 00
2	Do Steamer "Druid," Halifax.....	22,000 00	20,000 00
	<i>Tug Service, Upper St. Lawrence.</i>		
3	Between Montreal and Kingston.....	12,000 00	12,100 00
	<i>Subsidies.</i>		
4	Moity payable to Inman Line, between Halifax & Cork.....	39,541 00	.....
5	Steam communication between Quebec and Maritime Pro- vinces.....	15,000 00	15,000 00
6	Steam communication between Prince Edward Island, Pictou and Hawkesbury, N. S.....	3,000 00	1,600 00
7	Steam communication between Windsor, St. John, Digby and Annapolis.....	4,000 00	4,000 00
8	Packet communication between Pictou and Magdalen Islands.....	400 00	400 00
9	Steam communication between New Brunswick and Prince Edward's Island.....	1,000 00	1,000 00
	Total to be voted.....	\$134,941 00	114,100 00
	(B) ESTIMATE OF EXPENDITURE AUTHORIZED BY STATUTE.	1869-70.	1868-9.
	One year's Postal Subsidy to Montreal Ocean Steamship Com- pany.....	218,000 00	218,000 00
	Total Ocean and River Steam Service.....	\$352,941 00	\$332,100 00

XIII.—PENITENTIARIES.

Amount for which Votes of the Legislature are required...\$272,591 00

No. of Vote.		Details	1869-70.	Voted for 1868-9.
			\$ cts.	\$ cts.
1	Penitentiary, Kingston, Ontario.....	(a)	130,712 00	136,471 55
2	Criminal Lunatic Asylum, do	(b)	65,699 00	50,861 68
3	Penitentiary, Halifax, Nova Scotia.....	(c)	16,000 00	20,000 00
4	do St. John, New Brunswick.....	(d)	51,180 00	30,000 00
5	Directors of Penitentiaries.....	(e)	9,000 00	8,400 00
			272,591 00	245,733 23

DETAILS compared with 1868-9.

NUMBERS.			1869-70.	1868-9.
1868-9.	1869-70.			
		(a) PENITENTIARY, KINGSTON.	\$ cts.	\$ cts.
	1	Warden.....	2,600 00	
	1	Deputy Warden.....	1,400 00	
	2	Chaplains, at \$1,200 each.....	2,400 00	
	1	Surgeon	1,200 00	
	1	Accountant.....	1,000 00	
	1	Clerk.....	365 00	
	1	Storekeeper	700 00	
	1	Schoolmaster.....	600 00	
	1	Architect	1,200 00	
	1	Steward	650 00	
	1	Matron.....	500 00	
	1	Deputy Matron.....	300 00	
	1	Assistant Deputy Matron.....	250 00	
	3	Trade Instructors.....	2,000 00	
	4	do	2,240 00	
	6	Keepers.....	3,000 00	
	1	Messenger.....	430 00	
	10	Guards, at \$450 each.....	4,500 00	
	70	do at \$400 each.....	28,000 00	
	7	do at \$320 each.....	2,240 00	
.....	115	Maintenance	55,575 00	52,977 50
		Buildings	71,637 00	74,448 40
		Warden's Residence and Penal Prison.....	2,000 00	3,045 65
			1,500 00	6,000 00
		(b) ROCKWOOD ASYLUM.	\$130,712 00	\$136,471 55
		1. Buildings.		
	2	Architects.....	1,600 00	
	1	Keeper, at \$450	450 00	
	6	Guards, at \$360	2,160 00	
			4,210 00	4,530 00
		Building Materials.....	5,000 00	
		Skilled Labor.....	884 00	
.....	9		5,884 00	11,155 68
		Carried forward.....	10,094 00	15,685 68

XIII.—PENITENTIARIES.—*Continued.*DETAILS compared with 1868-9.—*Continued.*

NUMBERS.			1869-70.	1868-9.
1868-9.	1869-70.			
		(b) ROCKWOOD ASYLUM.— <i>Continued.</i>		
		<i>Brought forward</i>	10,094 00	15,685 68
		2. Maintenance.		
	1	Medical Superintendent.....	\$2,000 00	
	1	Accountant and Steward.....	1,000 00	
	1	Storekeeper.....	500 00	
	1	Engineer.....	700 00	
	1	Assistant Engineer.....	400 00	
	1	Chief Keeper.....	500 00	
	1	Gardener.....	400 00	
	2	Keeper, 1st Class.....	900 00	
	2	do 2nd do.....	850 00	
	4	do 3rd do.....	1,600 00	
	6	do 4th do.....	2,160 00	
	6	do Probationary.....	1,920 00	
	1	Matron.....	300 00	
	1	Deputy Matron.....	200 00	
	1	Laundry Maid.....	150 00	
	1	Cook.....	150 00	
	3	Nurses, 1st Class.....	450 00	
	4	do 2nd do.....	480 00	
	3	do 3rd do.....	300 00	
		Maintenance.....	14,960 00	5,826 00
		Furniture.....	40,145 00	28,350 00
			500 00	1,000 00
	41	NOTE.—There will be a claim against Ontario, for maintenance of criminal lunatics, estimated at \$40,000.	65,699 00	\$50,861 68
		(c) PENITENTIARY AT HALIFAX, N.S.		
	1	Warden.....	1,000 00	
	2	Chaplains, at \$400 each.....	800 00	
	1	Surgeon.....	450 00	
	1	Chief Keeper, to act also as Storekeeper.....	600 00	
	1	Accountant.....	500 00	
	1	Clerk.....	100 00	
	4	Trade Instructors, at \$500 each.....	2,000 00	
	4	Guards, at \$400 each.....	1,600 00	
	1	Matron.....	250 00	
	1	Schoolmaster.....	250 00	
			7,550 00	
		Maintenance.....	6,950 00	
		Building Materials and Building.....	1,500 00	
			\$16,000 00	\$20,000 00
	17	(d) PENITENTIARY AT ST. JOHN, N.B.		
	1	Warden.....	1,000 00	
	2	Chaplains, at \$400 each.....	800 00	
	1	Surgeon.....	500 00	
	1	Chief Keeper, to act also as Storekeeper.....	650 00	
	1	Accountant.....	1,000 00	
	4	Trade Instructors, at \$500 each.....	2,000 00	
	6	Guards, at \$400 each.....	2,400 00	
	16	<i>Carried forward</i>	8,350 00	

XIII.—PENITENTIARIES.—*Continued.*

DETAILS compared with 1868-9.—*Continued.*

NUMBERS.			1869-70.	1868-9.
1868-9.	1869-70.			
		(d) PENITENTIARY, ST. JOHN, N. B.— <i>Continued.</i>	\$ cts.	\$ cts.
	16	Brought forward.....	8,350 00	.....
	1	Matron.....	250 00	
	1	Deputy Matron.....	180 00	
		For School.....	50 00	
		MEMO.—One of the Guards acts as Schoolmaster, in mean- time, and this allowance is made him.		
			8,330 00	
		Ordinary Maintenance.....	12,350 00	
		Hospital, \$1,200; Wash and Bath-house, \$800.....	2,000 00	
		Material for Manufactures.....	28,000 00	
		NOTE.—There will be a claim against the Province of New Brunswick, for maintenance of local prisoners, and against the British Government for military prisoners.		
.....	18		\$51,180 00	\$30,000 00
		(e) DIRECTORS OF PENITENTIARIES.		
		Salaries of three Directors, at \$2,000 each.....	6,000 00	
		Travelling Expenses.....	2,400 00	
		Stationery and Contingencies.....	600 00	
			\$9,000 00	\$8,400 00

XIV.—MILITIA.

Amount to be voted (A).....\$905,532 00

No. of Vote.		Details	1869-70.	1868-9.
	(A) ESTIMATE OF MILITIA SERVICES FOR WHICH VOTES ARE TO BE TAKEN.		\$ cts.	\$ cts.
	<i>Ordinary.</i>			
1	Salaries of Military Branch and District Staff.....	(a)	52,925 00	54,000 00
2	do Brigade Majors.....		25,000 00	25,000 00
3	do Drill Instructors.....		40,000 00	50,000 00
4	Military Schools.....		80,000 00	120,000 00
5	Ammunition.....		30,000 00	50,000 00
6	Clothing.....		65,000 00	75,000 00
7	Military Stores.....		45,000 00	55,000 00
8	Public Armouries and care of arms, including pay of store-keepers and caretakers, storemen, and the			
9	rent, fuel and light of Public Armouries.....		50,000 00	50,000 00
10	Drill pay and camp purposes, and all other incidental ex- penses connected with the Drill and Training of the Militia.....		312,000 00	327,000 00
	Contingencies and general service not otherwise provided for, including assistance to Rifle Associations, and Bands of Efficient Corps.....		50,000 00	† 118,000 00
	<i>Revotes.</i>		749,925 00	
11	Clothing.....	40,000 00		
12	Drill-pay and Camp purposes.....	38,000 00		
13	Targets.....	5,000 00		
14	Drill Sheds and Rifle Ranges.....	25,000 00		
	<i>Extraordinary.</i>		108,000 00	
15	Barrack accommodation.....	\$25,000 00		80,000 00
16	Military Survey.....	2,607 00		2,607 00
17	To meet the expense of any damage to Arms.....	5,000 00		
18	Gunboats.....	15,000 00		25,000 00
			47,607 00	
			905,532 00	1,031,607 00

† Includes \$65,000 for taking Enrolments and other unforeseen expenses, not in Estimate for 1869-70.

XIV.—MILITIA.—*Continued.*DETAILS compared with 1868-9.—*Continued.*

NUMBERS.			1869-70.	1868-9.
1868-9.	1869-70.			
		(a) SALARIES OF MILITARY BRANCH, &c.		
		1. <i>Military Branch.</i>	\$ cts.	\$ cts.
1		Adjutant General.....	3,000 00	
1		Private Secretary to Adjutant General.....	1,200 00	
1		Deputy Adjutant General at Head-quarters.....	2,240 00	
3		Clerks, at \$1,400, \$1,200 and \$1,100.....	3,700 00	
3		do at \$900, \$660 and \$600.....	2,160 00	
2		do at \$730 each.....	1,460 00	
1		Superintendent of Military Schools.....	1,200 00	
1		Staff Medical Officer.....	800 00	
1		Housekeeper.....	500 00	
2		Messengers, at \$400 and 365.....	765 00	
	16		17,025 00	.....
		2. <i>District Staff.</i>		
9		District Deputy Adjutants General, at \$1,200 each.....	10,800 00	
2		Deputy Assistant do at \$1,200 and \$400.....	1,600 00	
9		District Paymasters, at \$600 each.....	5,400 00	
3		District Quartermasters, at \$600 each.....	4,800 00	
9		Clerks to District Deputy Adjutants General, at \$600 each....	5,400 00	
9		Messengers to do do at \$200.....	1,800 00	
	46		29,800 00	.....
		3. <i>Staff Contingencies.</i>		
		Allowances to the Adjutant General.....	1,000 00	
		Do Deputy Adjut. Gen. at Head-Quarters.....	600 00	
		Do 9 District Deputy Adjuts. Gen., \$500.....	4,500 00	
			6,100 00	.....

(a) SUMMARY.

	1869-70.	1868-9.
1. Military Branch.....	\$17,025 00	.....
2. District Staff.....	29,800 00	.....
3. Staff Contingencies.....	6,100 00	.....
Total.....	\$52,925 00	\$54,000 00

XV.—LIGHT-HOUSES AND COAST SERVICE.

Amount to be voted (A).....\$214,124 00

No. of Vote.		Details.	1869-70.	Voted for 1868-9.
	(A) ESTIMATE OF EXPENDITURE FOR WHICH VOTES OF THE LEGISLATURE ARE REQUIRED.		\$ cts.	\$ cts.
	TRINITY HOUSE, QUEBEC.			
1	Salaries of Officers and Contingencies.....\$13,170 00			
	Salaries and allowances of Light-house Keepers 11,997 00			
	Maintenance of Light-houses..... 18,433 00			
	Miscellaneous 175 00			
		(a)	43,775 00	41,752 00
	TRINITY HOUSE, MONTREAL.			
2	Salaries of Officers and Contingencies..... \$4,650 00			
	do Light-House Keepers..... 4,000 00			
	Maintenance and re-building of Light-houses. 10,000 00			
	Steamer Richelieu..... 3,900 00			
		(b)	22,550 00	26,000 00
	SALARIES AND MAINTENANCE OF LIGHT-HOUSES, NOT INCLUDED IN ESTIMATES OF TRINITY HOUSES.			
3	Salaries and allowances.....\$58,430 00	(c)		
	Maintenance 61,719 00	(d)		
			120,149 00	124,950 00
4	Construction of new Light-houses.....	(e)	3,400 00	45,000 00
5	Sable Island Humane Establishment.....\$6,000			
	Seal do do 200			
			6,200 00	8,120 00
6	Cape Race Light.....		1,000 00	3,000 00
7	Removing wreck of "Preciosa" from the channel of the St. Lawrence.....		3,000 00	
	REVOTES FOR CONSTRUCTION OF LIGHT-HOUSES.			
8	Ontario and Quebec.....\$1,600 00			
9	Nova Scotia..... 1,000 00			
10	New Brunswick..... 11,450 00			
		(f)	14,050 00	
	Total.....		214,124 00	248,822 00
	NOTE.—The foregoing votes are taken provisionally, the amounts being subject to reduction, and such reorgan- ization of the several services, in accordance with the Report of the Civil Service Commission, as the Governor in Council may determine.			

† Included in Public Works Estimates in 1868-9.

XV.—LIGHT-HOUSES AND COAST SERVICE.—*Continued.*

DETAILS compared with Estimates of 1868-9.

N. B.—A full comparison in detail of this service cannot be made this year owing to the changes in form of Estimates.

NUMBERS.					
1868-9.	1869-70.			1869-70.	1868-9.
		(α)—TRINITY HOUSE; QUEBEC.			
		1.—Salaries.		\$ cts.	\$ cts.
	1	Master.....	1,200 00		1,200 00
	1	Harbor Master.....	1,840 00		1,840 00
	1	Senior Superintendent of Pilots, acting also as Deputy Harbor Master.....	1,200 00		1,200 00
	1	Do do Inspector of Light Houses.....	1,200 00		1,200 00
	1	Clerk.....	1,440 00		1,440 00
	1	Treasurer.....	1,610 00		1,610 00
	1	Assistant Clerk.....	1,200 00		1,200 00
	1	Harbor Master's Clerk.....	600 00		600 00
	1	Bailiff.....	750 00		750 00
	9	2.—Contingencies.	11,040 00		11,040 00
		Rent of Trinity Hall and Offices.....	800 00	}	3,500 00
		Assessment on Rental and Water Rate.....	150 00		
		Printing, Advertisements and Stationery.....	680 00		
		Postages, Fuel, Newspapers, Solicitors Fees, and other contingent expenses.....	500 00		
			13,170 00		14,540 00
		3. Salaries and Maintenance of Light-Houses.			

Keepers & Assists.			Salaries & Allowances.		Maintenance, &c.	
Numbers.						
1868-9.	1869-70.		1869-70.	1868-9.	1869-70.	1868-9.
			\$ cts.	\$ cts.	\$ cts.	
	1	Portneuf.....	200 00	200 00	166 00	No details of maintenance last year.
	1	St. Antoine.....	100 00	100 00	66 00	
	1	St. Croix.....	140 00	140 00	76 00	
	1	Pointe St. Laurent.....	200 00	365 00	157 00	
	1	Bellechasse.....	320 00	320 00	73 00	
	1	Crane Island.....	320 00	320 00	206 00	
	1	Pillar.....	660 00	660 00	475 00	
	1	Grosse Isle.....	320 00	320 00	73 00	
		Light Ship.....			3,300 00	
	1	Pilgrim Light.....	340 00	340 00	133 00	
	1	Brandy Pots.....	420 00	420 00	73 00	
	1	Red Island.....	660 00	660 00	172 00	
	2	Green Island.....	860 00	860 00	125 00	
	2	Biquet.....	760 00	760 00	142 00	
	15	Carried forward.....	5,300 00	5,465 00	5,237 00	

No details of maintenance last year.

XV.—LIGHT-HOUSES AND COAST SERVICE.—*Continued.*DETAILS compared with 1868-9.—*Continued.*

Keepers & Assists.			Salaries & Allowances.		Maintenance, &c.	
1868-9.	1869-70.		1869-70.	1868-9.	1869-70.	1868-9.
		(a) TRINITY HOUSE, QUEBEC.— <i>Continued.</i>				
		3. <i>Salaries and Maintenance of Light-Houses.</i> — <i>Continued.</i>	\$ cts.	\$ cts.	\$ cts.	\$ cts.
	15	Brought forward.....	5,300 00	5,465 00	5,237 00	.....
	3	Father Point.....	375 00	375 00	113 00	No details for maintenance last year.
	3	Pointe des Monts.....	760 00	760 00	200 00	
	3	West Point, Anticosti.....	800 00	800 00	372 00	
	3	S. W. Point, Anticosti.....	800 00	800 00	760 00	
	3	Heath Point, do	800 00	800 00	710 00	
	3	Cape Rosier.....	800 00	800 00	422 00	
	3	Forteau.....	820 00	820 00	704 00	
	3	Belle Isle.....	1,060 00	1,060 00	447 00	
		Buoys, including 6 new.....			1,295 00	
	1	Gaspé.....	42 00		198 00	
		New beacons, erecting and repairing.....			1,000 00	
		5,000 gallons oil, at 43½ cents.....			2,375 00	
		Cooperage and cartage of oil.....			600 00	
		Signal guns, powder & other ammunition.....			3,000 00	
		<i>Depots for Provisions.</i>				
	2	Anticosti, Shallop Creek and Ellis Bay.....	440 00	440 00	1,000 00	
	42		11,997 00	12,120 00	18,433 00	.....
		4.— <i>Miscellaneous.</i>				
	1	Harbor Master, Gaspé.....	125 00	125 00		
	1	do Amherst.....	50 00	50 00		
	2		175 00	175 00	.....	.....

(a) SUMMARY.

	1869-70.	1868-9.
1. Salaries of Officers, Trinity House, Quebec.....	\$11,040 00	
2. Contingencies.....	2,130 00	
	\$13,170 00	
3 { Salaries, &c., Light-House Keepers.....	11,997 00	
{ Maintenance of Light-Houses.....	18,433 00	
4. Miscellaneous.....	175 00	
Total Trinity House, Quebec.....	\$43,775 00	\$41,752 00

XV.—LIGHT-HOUSES AND COAST SERVICE.—*Continued.*

DETAILS compared with 1868-9.—*Continued.*

Keepers & Assistants.			Salaries & Allowances.		Maintenance, &c.	
1868-9.	1869-70.		1869-70.	1868-9.	1869-70.	1868-9.
No details received.	(b)—TRINITY HOUSE, MONTREAL. Registrar's Estimate.		\$	cts.	\$	cts.
		Salaries of Officers.....	4,149	96		
		Wages of Light Keepers	4,000	00		
		Oil and Stores			1,500	00
		Repairs.....			1,500	00
		Rebuilding Light-Houses.....			2,000	00
		Buoys, Anchors and Chains.....			1,500	00
		Contingencies.....			4,000	00
		Steamer Richelieu.....			3,900	00
			8,149	96		14,400	00
† \$500, included in this item, has been added in Estimate to be voted for Office Contingencies.						

Note.—\$26,000 was voted for Trinity House, Montreal, last year—no details given.

(b) SUMMARY.

	1869-70.	1863-9.
Salaries,.....	\$8,149 96	
Maintenance, &c.....	14,400 00	
Total Trinity House, Montreal.....	\$22,549 96	\$26,000 00

XV.—LIGHT-HOUSES AND COAST SERVICE.—*Continued.*DETAILS compared with 1868-9.—*Continued.*

Keepers & Assists. Numbers.			1869-70.	1868-9.
1868-9.	1869-70.			
(c) SALARIES AND ALLOWANCES.— <i>Continued.</i>				
1.— <i>Above Montreal.</i>			\$	cts.
1	D. C. Smith, Superintendent.....	\$1,200 00		
	Allowance for travelling and contingent expenses	1,095 00		
			2,295 00	
1	Keeper Lachine Pier Light Ship.....	No. 1.	401 00	
2	Do do.....	No. 2 & 3 \$276 each.	552 00	
1	Do Point-Claire Light-Ship.....		276 00	
1	Do Grosse-Pointe		435 00	
1	Do Cherry Island		447 00	
1	Do Lake St. Francis Light-Ship.....		262 00	
1	Do Lancaster Pier Light.....		393 00	
5	Keepers,—McKie's Point, Assistant Keepers Grosse-Pointe, Gull Island, Chantry Island, Nottawasaga Island—5 at \$175 each		875 00	
6	Keepers—Coal Shoal, Grenadier Island, Lindoe, Burnt Island, Wolfe Island, Green Shoal, 6 at \$250 each.....		1,500 00	
3	Keepers—Gananoque Narrows and Jack Straw Shoal, Port Dalhousie, Port Colborne, 3 at \$400 each.....		1,200 00	
1	Keeper, Spectacle Shoal and Red Horse' Reef.....		560 00	
19	Keepers—Snake Island, Nine Mile Point, False Ducks Islands, Point Peter, Long Point, Scotch Bonnet Islands, Gull Island, Gibraltar Point, Mohawk Island, Long Point, Point Pelee Reef, Pelee Island, Bois Blanc, River Thames, Point Clark, Chantry Island, Isle of Coves, Grif- fith Island, Nottawasaga Island, Christian Island, 19 at \$435 each.....		8,265 00	
3	Keeper,—Presquisle, } and assistant Point Pelee Reef, 3 at Goderich. } \$325		975 00	
2	Keepers Presquisle Range Light, Port Dover, at \$260.....		520 00	
5	Keepers—Burlington Bay, Point Pleasant Bay, St. Ignace Island, Little Current, Clapperton Island, 5 at \$300 each		1,500 00	
1	Assistant Keeper, Isle of Cores		300 00	
1	Keeper, Point Claire Light Ship, No. 2		240 00	
1	do Oakville Pier Light.....		200 00	
1	do Port Maitland Light-House.....		475 00	
1	do Port Burwell do		320 00	
1	do Beauharnois do		225 00	
1	do Port Stanley do		144 00	
1	do Killarney do		500 00	
61	Total—above Montreal ..		22,860 00	
2.—NOVA SCOTIA.				
1	Superintendent of Light-Houses.....		800 00	
1	Keeper, Scatterie Light		820 00	
5	Keepers—Amet Island, Cape St. Mary's, Egg Island, Green Island, Little Hope, 5 at \$500.....		2,500 00	
5	do Cape Sable, Cape St. George, Seal Island, Shel- burne, Yarmouth, 5 at \$480.....		2,400 00	
9	do Annapolis, Brier Island, Cross Island, Liverpool, Louisburg, Low Point, Pictou, Pictou Island, Sandpoint, 9 at \$460.....		4,140 00	
1	do Cape Canso Light.....		472 00	
1	do Misers Island do		450 00	
1	do North Canso do		460 00	
24	Carried forward.....		12,042 00	

No details can be given—Salaries and
maintenance being voted together in
Estimates of 1868-9.

• No details.

No details.

XV.—LIGHT-HOUSES AND COAST SERVICE.—*Continued.*DETAILS compared with 1868-9.—*Continued.*

Keepers & Assistants. Numbers.			1869-70.	1868-9.
1868-9.	1869-70.			
		(c) SALARIES AND ALLOWANCES.— <i>Continued.</i>		
		2. Nova Scotia.— <i>Continued.</i>	\$	cts.
24		Brought forward.....	12,042	00
2		Keeper—St. Pauls, N. E. and S. W. Lights, \$420.....	840	00
9		Keepers,—Bird Island, Carribou Island, Chester, Flint Island, Gull Rock, Margaree, Meagher's Island, Sambro, White Head, 9 at \$400 each.....	3,600	00
4		Do Apple River, Barrington, Beaver Island, Devil's Is- lands, 4 at \$380	1,520	00
2		Do Black Rock, Iron Bound, 2 at \$360.....	720	00
4		Do Black Rock Point, Boars Head, Peggy's Point, Pomket Island, 4 at \$350	1,400	00
1		Keeper, Parrsboro.....	340	00
1		Do West Port.....	300	00
2		Keepers —Fish Island, Port Hood, at \$280 each.....	560	00
2		Do Port Medway, Port Williams at \$260 each	520	00
1		Keeper, Burnt Island.....	250	00
3		Keepers, Fort Point, Lunenburg, Pubnico, at \$240 each.....	720	00
2		Do Arichat, Horton Bluff Light, at \$232 each.....	464	00
1		Keeper, Margaretville Light.....	230	00
1		Do Guysboro do	220	00
1		Do Spencer's Point do	50	00
1		Do Fog Trumpet Cranberry Island.....	350	00
1		Do do Sambro.....	350	00
1		Do do Yarmouth.....	400	00
		Add Error in Agents Estimate of Salaries.....	80	00
63		Total, Nova Scotia.....	\$24,956	00
		3.— <i>New Brunswick.</i>		
1		Inspector of Lights, Buoys and Beacons, and Marine Hospital Travelling Expenses, do	1,200	00
2		Keepers, Gannet Rock	400	00
2		Do Machais Seal Island	840	00
1		Keeper, Miscou Island.....	664	00
1		Do Escuminac	500	00
1		Do Partridge Island.....	460	00
7		Keepers,—Quaco, Beacon Light, Cape Enrage, Grindstone Is- land, Point Lepreaux, Swallow Tail, Head Harbor, 7 at 400.....	150	00
1		Keeper—St. Andrews.....	2,800	00
1		Do Richibucto.....	300	00
2		Engineer and Assistant, Fog Whistle St. John \$400 & \$240...	160	00
1		Engineer, Fog Whistle Point Lepreaux to be appointed.....	640	00
1		Keeper Signal Station	400	00
6		Keepers to be appointed. { Cape Gourmain.....	300	00
		{ Fox Islands	200	00
		{ Beacon Lts. Miramichi Bay & River	700	00
2		Do 2 Beacon Lights on Shediac Island...	200	00
2		Do Lights on St. John River.....	400	00
31		Total for New Brunswick.....	\$10,614	00

No Details.

No Details.

(c) SUMMARY.

		1869-70.	1868-9.
1.	Salaries and Allowances above Montreal.....	\$22,860	00
2.	Do Nova Scotia.....	24,956	00
3.	Do New Brunswick.....	10,614	00
	Total Salaries and Allowances.....	\$58,430	00

XV.—LIGHT-HOUSES AND COAST SERVICE.—*Continued.*DETAILS compared with 1868-9.—*Continued.*

	1869-70.	1868-9.
	\$ cts.	\$ cts.
(d) MAINTENANCE OF LIGHT-HOUSES, &c.		
1. Above Montreal.		
9,800 gallons oil, at 43 cents.....	\$4,214 00	
Lamps and repairs, glasses, wicks, &c.....	1,000 00	
Paint, oil, putty, glass, lumber, &c.....	3,000 00	
	8,214 00	
Placing buoys and lights.....	460 00	
Reconstruction of light-house pier and dwelling at Lancaster, in lieu of light-ship.....	\$4,500 00	No details.
Repairing breast work at Long Point.....	1,500 00	
Repairing platforms of 9 river lights.....	792 00	
New pier at Red Horse Rock, removing and replacing light-house.....	860 00	
Ordinary repairs	2,348 00	
Repairing or reconstructing Pier at Point Claire, Lake St. Louis.....	2,500 00	
	12,500 00	
Charter of steamer delivering supplies.....	1,400 00	
Advertising and Sundry Expenses.	1,000 00	
Total, above Montreal	23,574 00	
2. Nova Scotia.		
14,000 gallons Oil, at 43 cents.....	6,020 00	
Repairs to Light-Houses, Landings, &c	6,000 00	
Maintenance of Light-Houses, including supplies, stores, boats, painting, repairing lamps, &c.....	4,500 00	
Amet Island Breastwork (Revote).....	1,000 00	
Travelling Expenses of Superintendent.....	600 00	
Rent of Coal and Oil Stores.....	700 00	
Erecting Boat Houses and Oil Stores.....	600 00	
Fuel for Fog Trumpets.....	775 00	
Maintenance of do	1,000 00	
Wood for Sambro & Meagher's Beach Light.....	200 00	
Freight and other contingencies.....	500 00	
Supplies, St. Paul and Scatterie Islands.....	600 00	
Moving back Apple River Light-House.....	500 00	
Erecting building on Scatterie Island.....	400 00	
Maintenance, Light-House Ship Harbor Strait of Canso.....	300 00	
Do Signal Station, Halifax Harbor.....	1,650 00	
Buoys and Beacons.....	1,200 00	
St. Paul's Island Staff.....	1,600 00	
Total, Nova Scotia.....	28,145 00	
3. New Brunswick.		
3,500 Gallons, Oil, at 40 cents.....	1,400 00	
Freight of Stores, Oil, &c., to Stations.....	300 00	
Purchase of New Lamps, Repairs to Old Lamps, Lamp Glasses, Wicks and Sundry small supplies.....	750 00	
Boats, Stores and Fittings.....	500 00	
Allowance for Fuel at Light Stations, Water at Gannet Rock and Powder at Machais Seal Islands.....	600 00	
Boat hire, &c.....	100 00	
Repairs to Light-Houses, Fog Whistles, &c.	1,750 00	
Carried forward.....	5,400 00	

XV.—LIGHT-HOUSES AND COAST SERVICE.—*Continued.*DETAILS compared with 1868-9.—*Continued.*

	1869-70.	1868-9.
(d) MAINTENANCE OF LIGHT-HOUSES, &c.— <i>Continued.</i>	\$ cts.	\$ cts.
3.— <i>New Brunswick.</i> — <i>Continued.</i>		
Brought forward.....	5,400 00	.....
Sundry Expenses, Purchase White Lead, Paint, Oil, Lumber, Coal, Advertising, and other Incidental Expenses.....	1,050 00	No Details.
120 cords wood for Fog Whistles at Point Lepreaux and Partridge Island and Transportation.....	800 00	
Flags, Repairs, &c., Signal Station.....	50 00	
Fourth Order Dioptric Light and Lantern for Cape Enrage.....	1,500 00	
Freight of do and fitting up.....	200 00	
Buoys and Beacons Maintenance, Bay of Fundy and North Shore	5,000 00	
Total, New Brunswick.....	\$14,000 00	.....

(d) SUMMARY.

	1869-70.	1868-9.
1. Above Montreal.....	\$23,574 00	.....
2. Nova Scotia.....	28,145 00	.....
3. New Brunswick.....	14,000 00	.....
Total maintenance of Light-Houses.....	\$65,719 00	.....
LESS—Probable saving.....	4,000 00	.....
	61,719 00	.....
Total Salaries vide Summary (c) page 39.....	58,430 00	.....
Total Salaries and Maintenance.....	\$120,149 00	.....

	1869-70.	1868-9.
(e) CONSTRUCTION OF NEW LIGHT-HOUSES.	\$ cts.	\$ cts.
Purchase of Chantry Island.....	2,000 00	
Purchase Pomket Island, Nova Scotia.....	600 00	
Wooden Beacons without Lights between Father Point and Cape Rosier.....	800 00	
Total.....	\$3,400 00	\$45,000 00
(f) REVOTES FOR CONSTRUCTION OF LIGHT-HOUSES.		
Ontario and Quebec—		
A light each at Gaspé and Pasbebiac.....	1,600 00	
Nova Scotia—		
Light-House, Ship Harbor, on Point Tupper.....	1,000 00	
New Brunswick—		
Machias, Seal Island, Lights.....	4,000 00	
Carraquette Light....	950 00	
Cape Jourmain.....	3,500 00	
Lepreaux Fog Alarm.....	3,000 00	
	11,450 00	
Total.....	\$14 050 00	.....

XVI—FISHERIES.

AMOUNT to be voted (A).....\$39,700 00

No. of Votes.		1869-70.	1868-9.
	(A) ESTIMATE OF EXPENDITURE FOR WHICH VOTES ARE REQUIRED.	\$ cts.	\$ cts.
1	Maintenance and repairs of Schooner "La Canadienne".....	10,000 00	10,800 00
2	Salaries and disbursements of Fishery Overseers and		
	Wardens :—		
	Ontario .....\$5,000 00		5,000 00
	Quebec 6,500 00		7,000 00
	New Brunswick 5,000 00		5,000 00
	Nova Scotia 5,000 00		5,000 00
		21,500 00	
3	Fishways and Oyster Beds.....	5,000 00	4,000 00
4	Additional for the protection of the Fisheries.....	3,200 00	
		39,700 00	36,800 00

XVII.—CULLING TIMBER.

Estimate of the Salaries and Contingent Expenses of the Cullers' Offices, to be voted.....\$65,000 00

DETAILS compared with 1868-9.

NUMBERS.			1869-70.	1868-9.
1868-9.	1869-70.			
		QUEBEC OFFICE.	\$ cts.	\$ cts.
1	1	Supervisor of Cullers.....	2,000 00	
1	1	Deputy do	1,440 00	
1	1	Book-keeper.....	1,400 00	
1	1	Cashier.....	1,200 00	
1	1	Specification Clerk (for year).....	800 00	
1	1	Messenger	400 00	
3	3	Specification Clerks, for season, at \$800.....	2,400 00	
1	1	do do	725 00	
2	2	do do at \$600.....	1,200 00	
5	5	do do at \$500.....	2,500 00	
17	17		14,065 00	14,065 00
		Pay of Cullers.....	42,000 00	52,000 00
		Contingencies of office, office rent, &c.....	3,435 00	3,500 00
			\$59,500 00	\$69,565 00
		MONTREAL OFFICE.		
1	1	Deputy Supervisor.....\$ 500 00		
1	1	Book-keeper..... 75 00		
		Specification Clerks..... 250 00		
		Pay of Cullers. 2,450 00		
		Contingencies and office rent..... 375 00		
			3,650 00	5,435 00
		Unforeseen expenditure.....	1,850 00	.....
19	19		\$65,000 00	\$75,000 00

XVIII.—RAILWAY AND STEAMBOAT INSPECTION.

To be voted (A).....\$9,050 00

No. of Vote.		Details	1869-70.	Voted for 1868-9.
	(A) ESTIMATE OF EXPENDITURE FOR WHICH VOTES ARE REQUIRED.		\$ cts.	\$ cts.
1	Railways—Salaries and contingencies.....	(a)	1,650 00	1,850 00
2	Steamboats— do	(b)	7,400 00	8,000 00
	Total.....		9,050 00	9,850 00

DETAILS compared with 1868-9.

NUMBERS.			1869-70.	1868-9.
1868-9.	1869-70.			
		(a) RAILWAYS.	\$ cts.	\$ cts.
1	1	Salary of Secretary.....	1,600 00	1,600 00
		Contingencies	50 00	250 00
1	1		1,650 00	1,850 00
		(b) STEAMBOATS.		
1	1	Salary of Chairman of Board and Inspector for West Ontario and Huron Division.....	1,200 00	1,200 00
1	1	Salary of Inspector, East Ontario Division.....	800 00	800 00
1	1	do Montreal do	800 00	800 00
1	1	do Sorel do	800 00	800 00
1	1	do Quebec do	800 00	800 00
1	1	do New Brunswick and Nova Scotia.....	1,000 00	1,000 00
1		Salary as Inspector, Huron, Superior.....		600 00
1	1	Travelling expenses of Inspector and incidental expenses of Board	2,000 00	2,000 00
8	7		7,400 00	8,000 00

NOTE.—Estimated Revenue for 1869-70, \$9,868.

XIX.—REDEMPTION OF SEIGNIORIAL RIGHTS.

To be voted (A).....\$6,000 00

No. of Vote.	1869-70.	Voted for 1868-9
	\$ cts.	\$ cts.
1		
	(A) ESTIMATE OF EXPENDITURE FOR WHICH A VOTE IS REQUIRED.	
	Expenses of Seigniorial Commission	6,000 00 6,000 00
	(B) ESTIMATE OF EXPENDITURE AUTHORIZED BY STATUTE.	
	Dues to Seigniors	187,000 00 186,786 00

SUMMARY.

	1869-70.	1868-9.
To be voted	6,000 00	6,000 00
Authorized by Statute	187,000 00	186,786 00
	\$193,000 000	192,786 00

XX.—SEIGNIORIAL INDEMNITY TO TOWNSHIPS.

EXPENDITURE AUTHORIZED BY STATUTE.....\$45,402 00

XXI.—INDIANS.

To be voted (A).....\$10,400 00

No. of Vote.		1869-70.	Voted for 1868-9.
	(A) ESTIMATE OF EXPENDITURE FOR WHICH VOTES ARE REQUIRED.	\$ cts.	\$ cts.
1	New Indian annuities, Ontario.	4,400 00	4,400 00
2	Annual grant to Indians, Quebec.	400 00	400 00
3	do Nova Scotia.	2,300 00	1,300 00
4	do New Brunswick.	2,200 00	1,200 00
5	To purchase blankets for aged and infirm Indians, Ontario and Quebec.	1,100 00	1,100 00
		10,400 00	8,400 00
	(B) ESTIMATE OF EXPENDITURE AUTHORIZED BY STATUTE.		
	Distribution to the several Tribes, Ontario and Quebec.	104,456 00	114,000 00
	Indian Reserves, Nova Scotia.	80 00	1,223 25
	do New Brunswick.		500 00
	Indian Annuities.	26,664 00	26,664 00
	Annual grant to Indians, Province of Quebec.	4,000 00	4,000 00
		135,200 00	146,387 25
	SUMMARY.		
	To be voted.	10,400 00	8,400 00
	Authorized by Statute.	135,200 00	146,387 25
		145,600 00	154,787 25

XXII.—MISCELLANEOUS.

To be voted (A).....\$90,800 00

No. of Vote.		1869-70.	Voted for 1868-9.
	(A) ESTIMATE OF MISCELLANEOUS SERVICES FOR WHICH VOTES ARE REQUIRED.	\$ cts.	\$ cts.
1	Advertising and subscription to Canada Gazette.....	8,000 00	8,000 00
2	Postages of do	1,200 00	1,200 00
3	Miscellaneous printing.....	5,000 00	5,000 00
4	Unforeseen expenses: Expenditure thereof to be under Order in Council, and a detailed account thereof to be laid before Parliament, during the first fifteen days of the next Session	75,000 00	100,000 00
5	Shipping Master's Office, Quebec.....	1,200 00	1,200 00
6	Expenses connected with ascertaining correct time at Ottawa and firing of noon-gun.....	400 00	400 00
		\$90,800 00	\$115,800 00

COLLECTION OF REVENUES.

XXIII.—CUSTOMS.

Expenditure to be voted per Statement (A).....\$516,400 00

No. of Vote.		Details	1869-70	1868-9.
	(A) ESTIMATE OF EXPENDITURE FOR WHICH A VOTE OF PARLIAMENT IS REQUIRED.		\$ cts.	\$ cts.
	Salaries and contingent expenses of the several Ports viz :			
	In province of Quebec.....	(a)	167,990 00	
	do Ontario.....	(b)	157,580 00	
	do Nova Scotia.....	(c)	52,280 00	
	do New Brunswick.....	(d)	58,550 00	
			436,400 00	480,461 00
	Salaries and contingent expenses of Inspectors of Ports.....	(e)	10,000 00	7,800 00
1	Commutation in lieu of remission of duties on articles imported for the use of the Army and Navy and Officers' Mess, to be apportioned by Order in Council.....		50,000 00	75,000 00
2	Additional to meet possible requirements of the reorganization of the Service.....		20,000 00	
3			516,400 00	563,261 00

COLLECTION OF REVENUES.—*Continued.*XXIII.—CUSTOMS.—*Continued.*

DETAILS compared with 1868-9.

(a)—PORTS IN QUEBEC.	Salaries and Daily Wages.	Office Rent and Contingent Expenses.	Total Estimate for 1869-70.	Total for 1868-9.
	\$ cts.	\$ cts.	\$ cts.	\$ cts.
Amherst	875 00	245 00	1,120 00	
Clarenceville	500 00	80 00	580 00	
Coaticook	4,200 00	255 00	4,455 00	
Dundee	2,100 00	260 00	2,360 00	
Frelighsburg	850 00	95 00	945 00	
Gaspé	3,700 00	315 00	4,015 00	
Hemmingford	1,845 00	140 00	1,985 00	
Lacolle	900 00	55 00	955 00	
Montreal	76,075 00	9,600 00	85,675 00	
New Carlisle	2,700 00	575 00	3,275 00	
Philipsburgh	1,100 00	55 00	1,155 00	
Potton	500 00	75 00	575 00	
Quebec	40,555 00	10,940 00	51,495 00	
Rimouski	400 00		400 00	
Russeltown	1,000 00	175 00	1,175 00	
Saint John's	1,745 00	280 00	2,025 00	
Stanstead	4,400 00	505 00	4,905 00	
Sutton	800 00	95 00	895 00	
Totals	144,245 00	23,745 00	167,990 00	175,631 00
(b)—PORTS IN ONTARIO.				
Amherstburg	2,025 00	180 00	2,205 00	
Belleville	3,400 00	350 00	3,750 00	
Brantford	2,220 00	210 00	2,430 00	
Brighton	600 00	100 00	700 00	
Brockville	3,275 00	245 09	3,520 00	
Burwell	700 00	50 00	750 00	
Bytown	5,805 00	305 00	6,110 00	
Chatham	1,600 00	185 00	1,785 00	
Chippawa	1,275 00	180 00	1,455 00	
Clifton	5,300 00	640 00	5,940 00	
Cobourg	2,900 00	330 00	3,230 00	
Colborne	600 00	105 00	705 00	
Cornwall	1,100 00	100 00	1,200 00	
Cramahe	600 00	190 00	790 00	
Dalhousie	3,100 00	170 00	3,270 00	
Darlington	1,300 00	100 00	1,400 00	
Dover	2,000 00	95 00	2,095 00	
Dundas	1,000 00	190 00	1,190 00	
Dunnville	1,350 00	130 00	1,480 00	
Elgin	200 00	75 00	275 00	
Fort Erie	4,100 00	225 00	4,325 00	
Gananoque	850 00	270 00	1,120 00	
Goderich	1,900 00	170 00	2,070 00	
Guelph	1,200 00	35 00	1,235 00	
Hamilton	15,450 00	1,790 00	17,240 00	
Hope	3,425 00	205 00	3,630 00	
Kingston	9,240 00	970 00	10,210 00	
Kingsville	400 00	40 00	440 00	
London	6,840 00	785 00	7,625 00	
Morrisburgh	1,095 00	340 00	1,435 00	
Napanee	1,000 00	135 00	1,135 00	
Newcastle	500 00	30 00	530 00	
Carried forward	86,350 00	8,920 00	95,275 00	.....

COLLECTION OF REVENUES.—*Continued.*XXIII.—CUSTOMS.—*Continued.*DETAILS compared with 1868-9.—*Continued.*

(b)—PORTS IN ONTARIO.— <i>Continued.</i>	Salaries and Daily Wages.	Office Rent and Contingent Expenses.	Total Estimate for 1869-70.	Total for 1868-9.
	\$ cts.	\$ cts.	\$ cts.	\$ cts.
<i>Brought forward</i>	86,350 00	8,920 00	95,275 00	.....
Niagara.....	1,700 00	150 00	1,850 00	
Oakville.....	600 00	140 00	740 00	
Oshawa.....	1,300 00	.....	1,300 00	
Owen's Sound.....	600 00	55 00	655 00	
Paris.....	1,500 00	25 00	1,525 00	
Penetanguishene.....	500 00	10 00	510 00	
Pictou.....	1,925 00	225 00	2,150 00	
Prescott.....	4,350 00	1,085 00	5,435 00	
Queenston.....	1,300 00	70 00	1,370 00	
Rowan.....	1,000 00	320 00	1,320 00	
Sarnia.....	2,700 00	260 00	2,960 00	
Saugeen.....	560 00	60 00	560 00	
Sault Ste. Marie.....	2,700 00	820 00	3,520 00	
Stanley.....	750 00	70 00	820 00	
Stratford.....	1,300 00	130 00	1,430 00	
Toronto.....	23,245 00	1,100 00	24,345 00	
Trenton.....	400 00	100 00	500 00	
Wallaceburgh.....	1,575 00	165 00	1,740 00	
Whitby.....	1,750 00	45 00	1,795 00	
Windsor.....	6,500 00	415 00	6,915 00	
Woodstock.....	800 00	65 00	865 00	
Totals.....	143,345 00	14,235 00	157,580 00	161,730 00
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(c)—PORTS IN NOVA SCOTIA.				
Advocate Harbor.....	90 00	90 00	
Amherst.....	1,425 00	25 00	1,520 00	
Annapolis.....	615 00	.....	615 00	
Antigonish.....	965 00	.....	965 00	
Arichat.....	950 00	.....	950 00	
Baddeck.....	820 00	.....	820 00	
Barrington.....	320 00	.....	320 00	
Bear River.....	295 00	.....	295 00	
Beaver River.....	85 00	.....	85 00	
Beliiveau Cove.....	140 00	.....	140 00	
Bridgetown.....	715 00	.....	715 00	
Canada Creek.....	155 00	.....	155 00	
Cape Canso.....	105 00	.....	05 00	
Chester.....	140 00	.....	140 00	
Cheverie.....	90 00	.....	90 00	
Clementsport.....	125 00	.....	125 00	
Cornwallis.....	500 00	.....	500 00	
Cow Bay.....	155 00	.....	155 00	
Digby.....	550 00	.....	550 00	
Five Islands.....	160 00	.....	160 00	
Free Port.....	165 00	.....	165 00	
French Cross.....	110 00	.....	110 00	
Glace Bay.....	200 00	.....	200 00	
Great Bras d'Or.....	375 00	.....	375 00	
Guysborough.....	190 00	.....	190 00	
Halifax.....	21,545 00	1,400 00	22,945 00	
<i>Carried forward</i>	31,055 00	1,425 00	32,480 00	.....

COLLECTION OF REVENUES.—*Continued.*XXIII.—CUSTOMS.—*Continued.*DETAILS compared with 1868-9.—*Continued.*

(c)—PORTS IN NOVA SCOTIA.— <i>Continued.</i>	Salaries and Daily Wages.	Office Rent and Contingent Expenses.	Total Estimate for 1869-70.	Total for 1868-9.
	\$ cts.	\$ cts.	\$ cts.	\$ cts.
<i>Brought forward</i>	31,055 00	1,425 00	32,480 00	.....
Hantsport	130 00	.....	130 00	.....
Harborville	145 00	.....	145 00	.....
Harbor-au-Bouché	85 00	.....	85 00	.....
Horton	155 00	.....	155 00	.....
Isaac's Harbor	80 00	.....	80 00	.....
Joggins	195 00	.....	195 00	.....
Lahave	285 00	.....	285 00	.....
Lingan	85 00	.....	85 00	.....
Little Bras d'Or	80 00	.....	80 00	.....
Little River	175 00	.....	175 00	.....
Liverpool	1,540 00	20 00	1,560 00	.....
Londonderry	355 00	.....	355 00	.....
Louisburg	140 00	.....	140 00	.....
Lunenburg	810 00	.....	810 00	.....
Mahone Bay	145 00	.....	145 00	.....
Main-a-Dieu	60 00	.....	60 00	.....
Maitland	200 00	.....	200 00	.....
Margaree	150 00	.....	150 00	.....
Margaretsville	360 00	.....	360 00	.....
Merrigonish	80 00	.....	80 00	.....
North Sydney	1,695 00	10 00	1,705 00	.....
Parrsborough	235 00	.....	235 00	.....
Pictou	2,440 00	25 00	2,465 00	.....
Port Acadie	250 00	.....	250 00	.....
Port Gilbert	135 00	.....	135 00	.....
Port Hawkesbury	305 00	.....	305 00	.....
Port Hood	230 00	.....	230 00	.....
Port La Tour	160 00	.....	160 00	.....
Port Medway	210 00	.....	210 00	.....
Port Mulgrave	370 00	.....	370 00	.....
Port Richmond	80 00	.....	80 00	.....
Port Williams	95 00	.....	95 00	.....
Pubnico	100 00	.....	100 00	.....
Pugwash	315 00	.....	315 00	.....
Ragged Islands	305 00	.....	305 00	.....
Ratchford's River	110 00	.....	110 00	.....
Sandy Cove	105 00	.....	105 00	.....
St. Anns	85 00	.....	85 00	.....
St. Marys River	90 00	.....	90 00	.....
Shelburne	215 00	.....	215 00	.....
St. Peters	240 00	.....	240 00	.....
Sydney	785 00	.....	785 00	.....
Tangier	85 00	.....	85 00	.....
Tatamagouche	255 00	.....	255 00	.....
Thornes Cove	90 00	.....	90 00	.....
Truro	185 00	.....	185 00	.....
Tusket	160 00	.....	160 00	.....
Wallace	140 00	.....	140 00	.....
Walton	95 00	.....	95 00	.....
Westport	160 00	.....	160 00	.....
Weymouth	540 00	.....	540 00	.....
Wilmot	220 00	.....	220 00	.....
Windsor	1,490 00	.....	1,490 00	.....
Yarmouth	2,425 00	90 00	2,515 00	.....
Totals	50,710 00	1,570 00	52,280 00	83,275 00

COLLECTION OF REVENUES.—*Continued.*XXIII.—CUSTOMS.—*Continued.*DETAILS compared with 1868-9.—*Continued.*

(d)—PORTS IN NEW BRUNSWICK.	Salaries and Daily Wages.	Office Rent and Contingent Expenses.	Total Estimate for 1869-70.	Total for 1868-9.
	\$ cts.	\$ cts.	\$ cts.	\$ cts.
Bathurst	1,560 00	10 00	1,570 00	
Bay Verte.....	400 00		400 00	
Buctouche	700 00	10 00	710 00	
Campbellton.....	660 00		660 00	
Campo Bello, (Welchpool)	600 00		600 00	
Caraquette	775 00	5 00	780 00	
Chatham	3,335 00	115 00	3,480 00	
Dalhousie.....	1,560 00	10 00	1,570 00	
Dorchester	600 00	5 00	605 00	
Fredericton	2,270 00	445 00	2,715 00	
Grand Falls	500 00	10 00	510 00	
Harvey	500 00	5 00	505 00	
Hillsborough	740 60		740 00	
Moncton	800 00	5 00	805 00	
New Banden.....	500 00		500 00	
Newcastle	2,050 00	105 00	2,155 00	
North Joggins.....	135 00	5 00	140 00	
Richibucto	1,600 00	20 00	1,620 00	
Richmond Station	900 00	55 00	955 00	
Rockland	500 00	5 00	505 00	
Sackville	1,000 00	10 00	1,010 00	
Shediac.....	920 00	20 00	940 00	
Shippegan.....	860 00	5 00	865 00	
St. Andrews.....	2,430 00	155 00	2,585 00	
St. George.....	1,525 00	15 00	1,540 00	
St. John.....	23,255 00	2,550 00	25,805 00	
St. Stephens	1,730 00	80 00	1,810 00	
Tobique.....	500 00		500 00	
West Isles.....	600 00	5 00	605 00	
Woodstock.....	1,300 00	95 00	1,395 00	
Totals.....	54,805 00	3,745 00	58,550 00	59,825 00

(e)—SALARIES and Contingencies of Inspectors of Ports.

NUMBERS.			1869-70.	1868-9.
1868-9.	1869-70.			
1	3	Inspectors of Ports at \$2,000 each.....	\$ cts. 6,000 00	\$ cts. 2,000 00
		Special Services and contingencies.....	4,000 00	5,800 00
		Total.....	10,000 00	7,800 00

COLLECTION OF REVENUES.—*Continued.*

XXIV.—EXCISE.

Estimate of amount for which votes are required....\$136,273 00

No. of Vote.		Details	1869-70.	Voted for 1868-9.
			\$ cts.	\$ cts.
1	Salaries of Outside Officers and Inspectors of Excise.	(a)	103,973 00	109,000 00
2	Travelling expenses, rent, fuel, stationery, postage, furniture, &c.	(b)	27,100 00	36,100 00
3	Unforeseen expenses.....		5,200 00	.....
			136,273 00	145,100 00

DETAILS compared with 1868-9.

NUMBERS.			1868-9.	1868-9.
1868-9.	1869-70.			
		(a) SALARIES OF OUTSIDE OFFICERS, &c.		
		1. Province of Ontario.	\$ cts.	\$ cts.
		Inland Revenue Divisions of—		
	1	Algoma.....	400 00	
	3	Belleville.....	2,300 00	
	3	Cobourg.....	2,400 00	
	1	Collingwood.....	600 00	
	1	Cornwall.....	500 00	
	4	Goderich.....	2,200 00	
	9	Guelph.....	5,800 00	
	8	Hamilton.....	5,500 00	
	5	Kingston.....	3,200 00	
	7	London.....	4,200 00	
	2	Ottawa.....	1,300 00	
	7	Paris.....	4,700 00	
	1	Perth.....	400 00	
	2	Peterboro'.....	1,200 00	
	5	Prescott.....	3,600 09	
	3	St. Catharines.....	2,600 00	
	3	Sarnia.....	2,500 00	
	16	Toronto.....	10,500 00	
	8	Windsor.....	5,800 00	
	89		59,700 09	.....
		2. Province of Quebec.		
		Inland Revenue Divisions of—		
	12	Montreal.....	8,173 00	
	2	Beauharnois.....	800 00	
	2	St. Johns.....	900 00	
	2	Terrebonne.....	700 00	
	18	Carried forward.....	10,573 00	.....

COLLECTION OF REVENUES.—*Continued.*XXIV.—EXCISE;—*Continued.*DETAILS compared with 1868-9.—*Continued.*

NUMBERS.			1869-70.	1868-9.
1868-9.	1869-70.			
		(a) SALARIES OF OUTSIDE OFFICERS, &c.— <i>Continued.</i>	\$ cts.	\$ cts.
		2. <i>Province of Quebec.</i> — <i>Continued.</i>		
	18	Brought forward.....	10,573 00	.....
		Inland Revenue, Divisions of—		
	2	Pontiac.....	800 00	
	2	St. Hyacinthe.....	900 00	
	2	Sherbrooke.....	1,200 00	
	2	Three Rivers.....	900 00	
	4	Quebec.....	2,900 00	
	2	Kamouraska.....	900 00	
	2	Rivière du Loup.....	900 00	
	2	Tadoussac.....	700 00	
	3	Gaspé.....	1,000 00	
	2	Arthabaska.....	900 00	
	2	Beauce.....	900 00	
.....	43		22,573 00	.....
		3. <i>Province of New Brunswick.</i>		
	4	St. John.....	3,100 00	
	1	Chatham.....	800 00	
	2	Dorchester and Moncton.....	800 00	
.....	7		4,700 00	.....
		4. <i>Province of Nova Scotia.</i>		
	2	Halifax—Collector, \$1,200 ; Messenger, \$500.....	1,700 00	
	1	Pictou.....	700 00	
	4	Acting Exciseman and Petroleum Inspector.....	2,200 00	
.....	7		4,600 00	.....
		5. <i>Salaries of Inspectors.</i>		
	7	Districts of Toronto, London, Kingston, Montreal, Quebec, St. John and Halifax, 7 at \$1,600 each.....	11,200 00	
	1	Assistant Inspector.....	1,200 00	
.....	8		12,400 00	.....

(a) SUMMARY.

	1869-70.	1868-9.
1. Salaries of Outside Officers, Province of Ontario.....	\$ 59,700 00	.....
2. do do do Quebec.....	22,573 00	.....
3. do do do New Brunswick.....	4,700 00	.....
4. do do do Nova Scotia.....	4,600 00	.....
5. do Inspectors.....	12,400 00	.....
	\$103,973 00	\$109,000 00

	(b) TRAVELLING EXPENSES, &c.	1869-70.	1868-9.
Outside Officers.....		19,500 00	.....
Inspectors.....		7,600 00	.....
		\$27,100 00	\$36,100 00

COLLECTION OF REVENUES.—Continued.

XXV.—POST OFFICE.

Amount to be voted (A).....\$800,000.00.

No. of Vote.		1868-70.	Voted for 1868-9.
	(A) ESTIMATE OF EXPENDITURE FOR WHICH A VOTE IS REQUIRED.	\$ cts.	\$ cts.
	<i>Ontario and Quebec Mail Services :—</i>		
1	Grand Trunk Railway	167,000 00	} 195,000 00
	Great Western Railway.....	45,000 00	
	Other Railways.....	40,000 00	
	Steamboat Service.....	40,000 00	44,000 00
	Ocean Mail Service.....	10,000 00	10,000 00
	Military and Naval Postage Refunds.....	6,000 00	10,000 00
	Salaries of Outside Services.....	95,000 00	} 307,000 00
	Ordinary Mail Service.....	215,000 00	
	Miscellaneous.....	27,000 00	
	<i>Nova Scotia Mail Services.....</i>	645,000 00	611,000 00
	<i>New Brunswick do</i>	80,000 00	70,000 00
		75,000 00	70,000 00
		\$800,000 00	\$751,000 00

COLLECTION OF REVENUES.—*Continued.*

XXXVI.—PUBLIC WORKS.

Amount to be Voted per Statement (A).....\$917,345 00.

No. of Vote.		Details.	1869-70.	Voted for 1868-9.
	(A) ESTIMATE OF EXPENDITURE FOR WHICH VOTES ARE REQUIRED.			
	<i>Maintenance and Repairs:—</i>			
1	Ontario and Quebec.....	(a)	393,410 00	329,695 49
2	Nova Scotia.....	(b)	372,000 00	240,000 00
3	New Brunswick.....		140,000 00	125,000 00
			\$905,410 00	\$694,695 49
4	Collection of Slide and Boom dues.....	(c)	11,935 00	6,475 00
			\$917,345 00	\$701,170 49

DETAILS compared with 1868-9.

NUMBERS.			Salaries.	Contingences and Office Rent.	Total 1869-70.	1868-9.
1868-9.	1869-70.					
		(a) ONTARIO AND QUEBEC.	\$ cts.	\$ cts.	\$ cts.	\$ cts.
		Ordinary Repairs.....			170,000 00	
		Rebuilding East Pier, Port Dalhousie, Welland Canal.....			21,000 00	
		Rebuilding West Pier, Port Dalhousie, Welland Canal.....			11,000 00	
		Repairs, Dunnville Dam.....			15,000 00	
		Maintenance.....			150,000 00	
		Salaries and Contingencies of Canal Officers			367,000 00	
					26,410 00	
		Total.....			\$393,410 00	329,695 49
		Viz:				
		Welland Canal—				
		Port Colborne.....	2,400 00	290 00	2,690 00	6,317 23
		Port Maitland.....	500 00	125 00	625 00	
		Dunnville.....	750 00	40 00	790 00	
		Port Robinson.....	720 00	25 00	745 00	
		St. Catharines.....	400 00		400 00	
		Port Dalhousie.....	1,000 00	130 00	1,130 00	13,853 79
		St. Lawrence Canals—				
		Montreal.....	6,290 00	2,555 00	8,845 00	
		Lachine.....	1,700 00	205 00	1,905 00	
		Beauharnois	750 00	30 00	780 00	
		Williamsburg.....	1,125 00	55 00	1,180 00	13,853 79
		Cornwall	600 00	50 00	650 00	
		Carried forward.....	16,235 00	3,605 00	19,740 00	19,671 02

COLLECTION OF REVENUES.—*Continued.*XXXVI.—PUBLIC WORKS.—*Continued.*DETAILS compared with 1868-9.—*Continued.*

NUMBERS.			Salaries.	Contin- gencies and Office Rent.	Total 1869-70.	1868-9.
1868-9.	1869-70.					
		(a) ONTARIO AND QUEBEC.— <i>Cont'd.</i>				
		<i>Brought forward.....</i>	\$ cts. 16,235 00	\$ cts. 3,505 00	\$ cts. 19,740 00	\$ cts. 19,671 02
		<i>Chambly Canal—</i>				
		Chambly	1,040 00	50 00	1,090 00	} 1,839 44
		St. John's.....	720 00	720 00	720 00	
		St. Ours Lock.....	400 00	5 00	405 00	
		<i>Burlington Bay Canal—</i>				
		Hamilton ..	500 00		500 00	500 00
		<i>Ste. Anne's Lock—</i>				
		Ste. Anne's.....	635 00	30 00	655 00	*1,057 18
		<i>Ottawa and Rideau Canals—</i>				
		Carillon.....	200 00	30 00	230 00	} 1,542 85
		Grenville.....	200 00	35 00	235 00	
		Ottawa.....	500 00	100 00	600 00	
		Smith's Falls.....	100 00	10 00	110 00	
		Kingston Mills.....	200 00	25 00	225 00	
			20,720 00	3,790 00	24,510 00	24,610 49
		<i>Inspector of Canal Offices.....</i>	1,400 00	500 00	1,900 00	1,910 00
			22,120 00	\$4,290 00	\$26,410 00	26,520 49
		* Voted for Locks generally.				
		(b) NOVA SCOTIA.				
		Working expenses, Halifax, Truro and Pictou Railway.....			285,000 00	
		Renewal of Permanent way do			18,000 00	
		Do of Cars.....			17,000 00	
		Renewal and completion of old works.....			30,000 00	
		Unpaid liabilities.....			22,000 00	
					\$372,000 00	240,000 00
		(c) COLLECTION OF SLIDE AND BOOM DUES.				
		<i>Ottawa Agency.</i>				
	1	Crown Slide Agent.....			1,840 00	
	1	Assistant do			1,200 00	
	2	Clerks, at \$700 and \$550.....			1,250 00	
	1	Draughtsman.....			600 00	
		Timber Counter, Assistants and Boatmen.....			1,598 00	
		Rent, fuel, stationery, light, postage, &c.....			911 00	
		Travelling expenses.....			196 00	
		Boat repairs, painting, repairs of furniture, and other contin- gent expenses.....			240 00	
	5				\$7,835 00	
		<i>Quebec.</i>				
	1	Agent			1,800 00	
	1	Assistant.....			1,200 00	
	1	Clerk.....			800 00	
		Allowance to Agent.....			300 00	
					4,100 00	
	3	Total.....			\$11,935 00	\$6,475 00

COLLECTION OF REVENUES.—*Continued.*

XXVII.—STAMPS.

Estimate of Amount for which a vote is required.....\$7,640 00

XXVIII.—MINOR REVENUES.

Estimate of Amount for which a vote is required.....\$10,000 00

XXIX.—SUBSIDIES TO PROVINCES.

Estimate of Amount for which a vote is required:—

For additional Subsidy and adjustment of Interest
for the Province of Nova Scotia.....\$100,000 00

SUBSIDIES AUTHORIZED BY STATUTE.

Ontario and Quebec.....	\$2,156,125 60	
Add one year's interest on Trust Funds.....	177,162 64	
	\$2,333,288 24	
LESS—Interest on excess of debt, say \$11,000,000.....	550,000 00	
		\$1,783,288 24
Nova Scotia—Subsidy under British North America Act		324,685 60
New Brunswick do do		314,637 60
Total authorized		\$2,422,611 44
To be voted.....		100,000 00
Total Subsidies		\$2,522,611 44

SUPPLEMENTARY ESTIMATES

Of the Dominion of Canada, for the year 1868-9, for services not provided for but partially paid.

ADMINISTRATION OF JUSTICE.

Circuit allowances, Nova Scotia, per Order in Council, Nov. 23, additional amount required.....	\$ 1,600 00
Circuit allowances, New Brunswick.....	1,000 00

PENITENTIARIES AND PRISON INSPECTION.

Penitentiary Kingston, maintenance, additional.....	20,000 00
Rockwood Asylum, do	5,000 00
Rockwood Asylum, purchase money of land and interest thereon, Order in Council of 9th October, 1868.....	6,740 71
Penitentiary, New Brunswick, including arrears before July 1, 1867, and maintenance of local prisoners	20,000 00

ARTS, AGRICULTURE AND STATISTICS.

Statistical Office, Nova Scotia, additional.....	3,590 00
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EMIGRATION AND QUARANTINE.

Additional Agencies, per Order in Council, of Jan. 28.....	2,700 00
--	----------

PUBLIC WORKS.

Fort Garry Road, per Order in Council of 21st September, 1868, and 9th April, 1869.....	15,739 79
T. Begly, per Order in Council of 12th November, 1868.....	14,000 00

OCEAN AND RIVER STEAM SERVICE.

Repairs of steamer Druid	3,372 00
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LIGHT HOUSES AND COAST SERVICE.

Buoys and Beacons, New Brunswick.....	1,000 00
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MISCELLANEOUS.

Towards cost of Confederation Medal.....	2,000 00
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COLLECTION OF REVENUE FROM PUBLIC WORKS.

Maintenance Nova Scotia Railway, additional	30,000 00
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\$126,742 50

Balances of appropriations carried on, see Public Accounts, part II, page 67, to be revoted.

Pictou and Truro Railway construction	65,000 00
Barrack fitments, balance.....	8,000 00
Militia service, Nova Scotia, to October.....	32,145 01
Do New Brunswick, do	25,270 65

\$130,415 66

THE ...

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SUPPLEMENTARY ESTIMATES

For year ending 30th June, 1870.

PENITENTIARIES, &C.

Two years' salary as gratuity to warden of Kingston Penitentiary, on his resignation, as per order of Council.....	5,200
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MARINE HOSPITAL.

Contribution in aid of mariners and sick seamen to St. Catherines Hospital.....	500
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PUBLIC WORKS.

Intercolonial railway.....	2,500,000
For opening communication with North West Territories, establishing Government and providing for settlement thereof.....	1,460,000

LIGHT HOUSE AND COAST SERVICE.

Towards the re-construction of a light-house at Rondeau.....	\$2,000
Towards the construction of a light-house at Byng Inlet, Georgian Bay...	700
Construction of Fog Whistle, Seal Islands.....	3,200

FISHERIES.

For the promotion of artificial Fish Breeding.....	\$2,000
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EMIGRATION.

Further Estimates for expenses.....	8,000
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COLLECTION OF CUSTOMS.

To provide for amount omitted for the out-door service at the Port of Halifax.....	20,000
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MISCELLANEOUS.

For purchase of Red River Territory	1,460,000
Special grant to widow Perry whose husband lost his life in the performance of public duty.....	500
To meet claims of Representatives of Dr. Hogan, killed on railway in Nova Scotia.....	2,775
To enable Government to make good certain claims, of the Town of St. Catherines, connected with advances during Fenian Raid in 1866, still in litigation.....	800

\$5,465,675

SUPPLEMENTARY ESTIMATES

Of the Dominion of Canada, for the year 1868-9, for services not provided for but partially paid.

ADMINISTRATION OF JUSTICE.

Miscellaneous Justice..... 3,000 00

PENITENTIARIES AND PRISON INSPECTION.

Penitentiary Kingston, maintenance, additional..... 20,000 00

Rockwood Asylum, additional for capital and construction..... 6,700 00

Penitentiary, New Brunswick, including arrears before July 1, 1867, and maintenance of local prisoners 20,000 00

ARTS, AGRICULTURE AND STATISTICS.

Statistical Office, Nova Scotia, additional..... 3,590 00

EMIGRATION AND QUARANTINE.

Additional Agencies, per Order in Council, of Jan. 28..... 2,700 00

PUBLIC WORKS.

Fort Garry Road, per Order in Council of 21st September, 1868, and 9th April, 1869..... 15,739 79

Additional Expenditure, on do 1,486 67

T. Begly, per Order in Council of 12th November, 1868..... 14,000 00

Intercolonial Railway. 98,000 00

OCEAN AND RIVER STEAM SERVICE.

Repairs of steamer Druid 3,372 00

LIGHT HOUSES AND COAST SERVICE.

Buoys and Beacons, New Brunswick..... 1,000 00

MISCELLANEOUS.

Towards cost of Confederation Medal..... 2,000 00

CIVIL GOVERNMENT.

To provide for the salaries of certain Deputy Heads, and the Secretary of the Treasury Board, part of whose salaries have hitherto been charged to separate services, and in lieu of such separate payments..... \$ 3,700 00

COLLECTION OF REVENUE FROM PUBLIC WORKS.

Maintenance Nova Scotia Railway, additional 30,000 00

Do New Brunswick..... 10,000 00

POST OFFICE.

Additional..... 15,000 00

\$250,288 46

Balances of appropriations carried on, see Public Accounts, part II, page 67, to be revoted.

Pictou and Truro Railway construction \$65,000 00

Barrack fitments, balance..... 8,000 00

Militia service, Nova Scotia, to October..... 32,145 01

Do New Brunswick, do 25,270 65

\$130,415 66

RUPERT'S LAND AND THE NORTH-WEST TERRITORY.

Laid before Parliament by command of His Excellency the Governor General.

MESSAGE.

JOHN YOUNG.

The Governor General transmits, for the consideration of the House of Commons, the Report of the Delegates appointed to negotiate for the acquisition of Rupert's Land and the North-West Territory.

GOVERNMENT HOUSE,

Ottawa, 17th May, 1869.

COPY of a Report of a Committee of the Honorable the PRIVY COUNCIL, approved by His Excellency the Governor General in Council, on 14th May, 1869.

The Committee have had under consideration the accompanying Report and Correspondence of the Delegates appointed, by Orders in Council, of 1st October last, to proceed to England to negotiate the terms for the acquisition by Canada of Rupert's Land and the North-West Territory, and they humbly advise that the said Report, and the terms agreed upon, as set forth in the said Report and Correspondence, be approved by Your Excellency and submitted for the consideration and sanction of Parliament.

[Certified.]

WM. H. LEE,
Clerk, P. C.

To the Honorable

The Secretary of State,
&c., &c., &c.

REPORT.

*To His Excellency the Right Honorable Sir JOHN YOUNG Bart.,
G.C.B., G.C.M.G., Governor General of Canada.*

MAY IT PLEASE YOUR EXCELLENCY:—

We have the honor to submit for Your Excellency's consideration the following Report of our negotiations with Her Majesty's Imperial Government for the transfer to the Dominion of Canada of Rupert's Land and the North Western Territory:—

Under the authority of an Order in Council of the 1st October, 1868, we were appointed a Delegation to England to arrange the "terms for the acquisition by Canada of Rupert's

"Land," and by another Order in Council of the same date, we were authorized to arrange "for the admission of the North West Territory into Union with Canada, either with or "without Rupert's Land, as may be found practicable and expedient." We proceeded at once to execute the important mission confided to us, and on presenting ourselves at the Colonial Office, were invited by His Grace the Duke of Buckingham and Chandos, then Secretary of State for the Colonies, to visit him at Stowe, for the purpose of discussing freely and fully the numerous and difficult questions which were involved in the transfer of these great Territories to Canada. We found that His Grace had already made some progress in the preliminaries of a negotiation (under the Act 31 and 32 Vic. Cap. 105) with the Hudson's Bay Company for the surrender to Her Majesty of the territorial and political rights which they claimed in Rupert's Land. We objected very earnestly to some of the demands of the Company which were communicated to us by His Grace, but after much consideration and important modifications of the Company's demands, we agreed that if they would surrender the Territory on the conditions which His Grace proposed, we would recommend the acceptance of these conditions by the Canadian Government.

The Duke of Buckingham's proposals will be found in the letter of Mr. Adderly, of the 1st December, 1868, addressed to the Governor of the Hudson's Bay Company.

Considerable delay in the negotiations was occasioned by the retirement from office of the Duke of Buckingham and his colleagues, and also by the resignation of Lord Kimberly, the then Governor of the Company.

On the 18th January 1869, Earl Granville, who had acceded to office as Secretary of State for the Colonies, transmitted to us the reply of the Company, declining the proposals of the Duke of Buckingham. His Lordship subsequently requested us to communicate to him any observations which we might desire to offer upon this reply of the Company, and upon certain counter proposals which it contained. We felt reluctant, as representatives of Canada, to engage in a controversy with the Company concerning matters of fact, as well as questions of law and policy, while the negotiation with them was being carried on by the Imperial Government in its own name and of its own authority. But we did not feel at liberty to decline Lord Granville's request, and on the 8th of February, stated at length our views upon the various points raised in the letter of Sir Stafford Northcote, the new Governor of the Company, in answer to the proposals of the Duke of Buckingham. We beg to refer Your Excellency to the correspondence, for full information as to the positions taken and the opinions expressed by us at this stage of the negotiation.

Lord Granville, being of opinion that the rejection by the Company of the proposals of his predecessor had terminated the negotiations instituted by him, submitted for our consideration proposals of his own, based on a different principle from that which had been laid down by the Duke of Buckingham.

We felt it our duty to state to his Lordship, that these proposals would not be acceptable to the Canadian Government. They were subsequently modified, and in the form in which they appear in the letter of Sir Frederick Rogers of the 9th March, were conditionally accepted by us, subject to the approval of Your Excellency in Council.

Certain details were left by Lord Granville to be settled between the representatives of

the Company and ourselves, which led to interviews and discussions with them, and to a correspondence which is also submitted herewith.

During the progress of the negotiations, a formal complaint was made to the Colonial Secretary by the representatives of the Company against the Canadian Government for undertaking the construction of a road between Lake of the Woods and the Red River settlement, without having first obtained the consent of the Company. The letter conveying this complaint was referred to us by Earl Granville for such explanations as we were able to offer. The correspondence on this subject is also respectfully submitted.

Your Excellency is aware that since our return to Canada, the Hudson's Bay Company have signified to Lord Granville their acceptance of the terms proposed by him for the surrender to Her Majesty of their territorial rights in Rupert's Land. We have, therefore, the honor to submit the same, with a memorandum of the "details" agreed to by us on behalf of the Canadian Government, for the approval of Your Excellency, and for such action thereupon as Your Excellency may be advised to take.

All of which is respectfully submitted.

GEO. E. CARTIER,
WM. MACDOUGALL.

OTTAWA, May 8, 1869.

CORRESPONDENCE.

Duke of Buckingham and Chandos to Viscount Monck.

(Copy. No. 173.)

DOWNING STREET, 8th August, 1868.

MY LORD,—I have the honor to transmit to you, for your Lordship's information, the enclosed copy of an Act of Parliament, conferring powers for the surrender to Her Majesty by the Hudson's Bay Company of their territories and privileges.

In pursuance of the powers conferred by this Act, I propose to enter into negotiations with the Hudson's Bay Company as to the terms on which they will surrender their rights, and I shall not fail to keep your Lordship informed of the course of such negotiations.

I have, &c.,

BUCKINGHAM AND CHANDOS.

Governor the Right Honorable
Viscount Monck.

ANNO TRICESIMO PRIMO & TRICESIMO SECUNDO.

VICTORIÆ REGINÆ.

C A P. CV.

An Act for enabling Her Majesty to accept a Surrender upon Terms of the Lands, Privileges, and Rights of "The Governor and Company of Adventurers of *England* trading into "*Hudson's Bay*," and for admitting the same into the Dominion of *Canada*. [31st July 1868.]

Recital of
Charter of
Hudson's
Bay Com-
pany,
22 Car. 2.

WHEREAS by certain Letters Patent granted by His late Majesty King *Charles* the Second in the Twenty-second Year of His Reign certain Persons therein named were incorporated in the Name of "The Governor and Company of Adventurers of *England* trading into *Hudson's Bay*," and certain Lands and Territories, Rights of Government, and other Rights, Privileges, Liberties, Franchises, Powers, and Authorities, were thereby granted or purported to be granted to the said Governor and Company in His Majesty's Dominions in *North America* :

And whereas by the *British North America* Act, 1867, it was (amongst other things) enacted that it should be lawful for Her Majesty, by and with the Advice of Her Majesty's most Honourable Privy Council, on Address from the Houses of the Parliament of *Canada*, to admit *Rupert's Land* and the North-western Territory, or either of them, into the Union on such Terms and Conditions as are in the Address expressed and as Her Majesty thinks fit to approve, subject to the Provisions of the said Act :

Recital of
Agreement
of Surrender.

And whereas for the Purpose of carrying into effect the Provisions of the said *British North America* Act, 1867, and of admitting *Rupert's Land* into the said Dominion as aforesaid upon such Terms as Her Majesty thinks fit to approve, it is expedient that the said Lands, Territories, Rights, Privileges, Liberties, Franchises, Powers, and Authorities, so far as the same have been lawfully granted to the said Company, should be surrendered to Her Majesty, Her Heirs and Successors, upon such Terms and Conditions as may be agreed upon by and between Her Majesty and the said Governor and Company as hereinafter mentioned :

Be it therefore enacted by the Queen's most Excellent Majesty, by and with the Advice and Consent of the Lords Spiritual and Temporal, and Commons, in this present Parliament assembled, and by the Authority of the same, as follows :

Short Title.

1. This Act may be cited as "*Rupert's Land* Act, 1868."

Definition of
"Rupert's
Land."

2. For the Purposes of this Act the Term "*Rupert's Land*" shall include the whole of the Lands and Territories held or claimed to be held by the said Governor and Company.

Power to
Her Majesty
to accept
Surrender of
Lands &c., of
the Company
upon certain
Terms

3. It shall be competent for the said Governor and Company to surrender to Her Majesty, and for Her Majesty by any Instrument under Her Sign Manual and Signet to accept a Surrender of all or any of the Lands, Territories, Rights, Privileges, Liberties, Franchises, Powers, and Authorities whatsoever granted or purported to be granted by the said Letters Patent to the said Governor and Company within *Rupert's Land*, upon such Terms and Conditions as shall be agreed upon by and between Her Majesty and the said Governor and Company; provided, however, that such Surrender shall not be accepted by Her Majesty until the Terms and Conditions upon which *Rupert's*

Land shall be admitted into the said Dominion of *Canada* shall have been approved of by Her Majesty, and embodied in an Address to Her Majesty from both the Houses of the Parliament of *Canada* in pursuance of the One hundred and forty-sixth Section of the *British North America Act, 1867*; and that the said Surrender and Acceptance thereof shall be null and void unless within a Month from the Date of such Acceptance Her Majesty does by Order in Council under the Provisions of the said last recited Act admit *Rupert's Land* into the said Dominion; provided further, that no Charge shall be imposed by such Terms upon the Consolidated Fund of the United Kingdom.

4. Upon the Acceptance by Her Majesty of such Surrender all Rights of Government and Proprietary Rights, and all other Privileges, Liberties, Franchises, Powers, and Authorities whatsoever, granted or purported to be granted by the said Letters Patent to the said Governor and Company within *Rupert's Land*, and which shall have been so surrendered, shall be absolutely extinguished; provided that nothing herein contained shall prevent the said Governor and Company from continuing to carry on in *Rupert's Land* or elsewhere Trade and Commerce.

5. It shall be competent to Her Majesty by any such Order or Orders in Council as aforesaid, on Address from the Houses of the Parliament of *Canada*, to declare that *Rupert's Land* shall, from a Date to be therein mentioned, be admitted into and become Part of the Dominion of *Canada*; and thereupon it shall be lawful for the Parliament of *Canada* from the Date aforesaid to make, ordain, and establish within the Land and Territory so admitted as aforesaid all such Laws, Institutions, and Ordinances, and to constitute such Courts and Officers, as may be necessary for the Peace, Order, and good Government of Her Majesty's Subjects and others therein; Provided that, until otherwise enacted by the said Parliament of *Canada*, all the Powers, Authorities, and Jurisdiction of the several Courts of Justice now established in *Rupert's Land*, and of the several Officers thereof, and of all Magistrates and Justices now acting within the said Limits, shall continue in full force and Effect therein.

Extinguishment of all Rights of the Company.

Power to Her Majesty by Order in Council to admit *Rupert's Land* into and form Part of the Dominion of *Canada*.

Jurisdiction of present Courts and Officers continued.

COPIES OF TELEGRAMS.

Lord Monck to the Duke of Buckingham.

QUEBEC, 9th September, 1868.

Privy Council wish to send a delegation to London to take part in treaty with Hudson's Bay Company.

They are anxious that negotiations with Company should be postponed till arrival of delegates in London.

Please inform me by Cable how soon you will be able to receive them.

They are prepared to go immediately.

(Signed)

MONCK.

The Duke of Buckingham to Lord Monck.

COLONIAL OFFICE, 11th September, 1868.

Delegates to advise with me on the arrangements between the Crown and the Company should start at once. I have appointment with Governor of Company for 18th, but will now conclude nothing until delegation shall have arrived.

(Signed)

BUCKINGHAM & CHANDOS.

Lord Monck to the Duke of Buckingham.

QUEBEC, 14th September, 1868.

I find now that for reasons connected with the public service, delegates do not wish to leave Canada till first week in November. Will this suit you?

(Signed)

MONCK.

The Duke of Buckingham to Lord Monck.

COLONIAL OFFICE, 17th September, 1868.

I should have preferred an earlier date—I cannot defer negotiations with Hudson's Bay Company, but probably the settlement of terms will occupy some time.

(Signed)

BUCKINGHAM & CHANDOS.

Lord Monck to the Duke of Buckingham.

QUEBEC, 18th September, 1868.

In consequence of your last message, delegates will leave for England the 7th October.

(Signed)

MONCK.

The Duke of Buckingham to Lord Monck.

COLONIAL OFFICE, 18th September, 1868.

I have seen Kimberley and Lampson to day—I think it essential that some leading member of your government, if possible all delegates, should be here not later than 9th October to confer with me, delegates will be wanted at least 10 days.

(Signed)

BUCKINGHAM & CHANDOS.

Lord Monck to the Duke of Buckingham.

QUEBEC, 22nd September, 1868.

Delegates intend to sail from hence October 3rd.

They trust nothing will be concluded until their arrival in England where they will be due about the thirteenth.

(Signed)

MONCK.

Copy of a Report of a Committee of the Honorable the Privy Council, approved by His Excellency the Governor-General in Council on the 1st October, 1868.

In view of the great importance of the immediate settlement of the Hudson's Bay question, and in consequence of the passage by the Imperial Parliament of the Act 31 and 32 Vic., Cap. 105, and in accordance with the Despatch of His Grace the Secretary of State, No. 173, and dated 8th August, 1868, the Committee of Council advise that a delegation proceed to England composed of the Hon. Sir G. E. Cartier and the Hon. W. McDougall, for the purpose of arranging terms for the acquisition by Canada of Rupert's Land, such terms to be subject to the approbation of the Governor in Council.

(Certified)

WM. H. LEE,
Clerk P. C.

MEMORANDUM.

We have the honor to acknowledge communication of a Minute of Council of this day's date, appointing us a Delegation to England to arrange with the Imperial Government the terms upon which Canada may acquire Rupert's Land, and to state that we have much pleasure in accepting the mission.

We would, however, beg to call the attention of the Committee to the terms of the recent Act of the Imperial Parliament to "enable Her Majesty to accept a surrender upon terms of the Lands, Privileges and Rights" of the Hudson's Bay Company which declares that Rupert's Land for the purposes of that Act, "shall include the whole of the Lands and Territories held or claimed to be held" by the Company.

We would also call the attention of the Committee to the terms of the British North America Act, which provides for the admission of Rupert's Land and the North West Territory or either of them, into the Union.

We respectfully recommend that we be authorized to arrange with the Imperial Government for the admission of the North West Territory into Union with Canada, either with or without Rupert's Land as may be found practicable and expedient.

(Signed)

GEO. ET. CARTIER.
W. MACDOUGALL.

October 1st, 1868.

COPY of a Report of a Committee of the Honorable the PRIVY COUNCIL, approved by His Excellency the Governor General in Council on the 1st October, 1868.

The Committee have had under consideration a memorandum dated this day from the Hon. Sir George E. Cartier, Bart., and the Hon. Wm. MacDougall stating that they have received communication of the Minute in Council appointing them a Delegation to England to arrange with the Imperial Government the terms upon which Canada may acquire Rupert's Land, and expressing their readiness to accept that mission.

They however bring under the notice of the Government the terms of the recent Act of the Imperial Parliament, to enable Her Majesty "to accept a surrender upon Terms, of the Lands, Privileges, and Rights" of the Hudson's Bay Company, which declares that "Rupert's Land" for the purposes of that Act "shall include the whole of the lands and territories held or claimed to be held" by the Company.

They also call your Excellency's attention to the terms of the British North America Act, which provides for the admission of Rupert's Land and the North West Territory, or either of them, into the Union, and they recommend that they be authorized to arrange with the Imperial Government for the admission of the North West Territory into Union with Canada, either with or without Rupert's Land as may be found practicable and expedient.

The Committee advise that the authority requested by the Delegates be granted, and that a copy of this Minute, if approved by Your Excellency, be transmitted to His Grace the Secretary of State for the Colonies.

(Certified)

WM. H. LEE,
Clerk, P. C.

Lord Kimberley to the Right Honorable C. B. Adderley, M.P.

HUDSON'S BAY HOUSE, LONDON, October 27th, 1868.

SIR,—The Committee of the Hudson's Bay Company have received from Sir C. Lampson and myself reports of the interviews which we have had the honour to have with His Grace the Duke of Buckingham and Chandos, on the subject of the proposed cession to Canada of the Company's territorial rights, and they have anxiously considered how far they would be justified in altering the terms proposed in my letter of May 13th, with a view to meet the objections which have been raised to them.

They understand his Grace to suggest that instead of the Company being entitled to a free grant of 5000 acres, to be selected by them for every 50,000 acres which shall be alienated by the Government, the whole Territory should be at once divided into sections on the map, and that a certain portion of each section should be allotted to the Company by fixed geographical rules, the Company taking the chance as to the value of the land which might fall to its share; and further, that in order to meet the evils which might arise from the existence of so many blocks of wild land free from taxation, the exemption of the Company's wild land from taxes should continue only for a limited period, say, for example, twenty years.

The Committee regret that they are unable to agree to this mode of allotment. One of the chief inducements to their shareholders to accept the proposed arrangements would be, that according to the plan of the Committee, if, as it is hoped, the colonization of the country proceeded rapidly under the new government, the Company would receive blocks of land of moderate size in the vicinity of the new settlements, which would possess an actual value in the market. But if the plan suggested by the Duke of Buckingham were adopted, instead of the grants to the Company proceeding equally with the progress of colonization, the whole country would be dotted over with isolated tracts of wild land belonging to the Company, many of which even if ultimately available for settlement, must necessarily remain entirely valueless until long after the expiration of the twenty years, and if taxed would be a heavy burden instead of a source of profit to the Company.

The Committee are willing, however, to agree that the exemption from taxes on the Company's wild land should only apply to each block of 5000 acres, which they may be entitled from time to time to select, for a period of twenty years from the date of selection. This would give the Company a reasonable time within which to turn each block to profitable account, and at the same time the ultimate liability to taxation would prevent these lands from becoming an obstruction to the free progress of settlement.

The Committee think it right to add that they do not propose that land purchased by the Company should be reckoned in the 50,000 acres; and that the selection of the land by the Company naturally implies that the Company shall bear the cost of such a survey as may be necessary to define the land selected, it being understood that the Company shall have the option of making the survey by means of their own officers.

The Committee are also quite willing that land granted for such purposes as roads, churches or schools shall not be liable to the payment of one shilling per acre to the Company, provided that the exemption is restricted to the land actually used in the construction of the work, and that the exceptions are specified in the agreement with the Government for the cession of the Company's rights. They also admit that it is proper that a similar exemption should apply to land set apart as Indian Reserves, on the understanding that these reserves will be made by Her Majesty's Government, as they are informed it is his Grace's intention they shall be, before the Company's territory is transferred to Canada, and that, if at any time before the million sterling is paid to the Company, such land shall be used or granted for other purposes, it shall become liable to the payment of a shilling an acre in common with other land.

With respect to the land which the Committee have asked that the Company may retain as private property round their posts and stations, if 6000 acres are thought to be too much in that part of Rupert's Land which is suited for settlement, the Committee will consent that the 6000 acres shall only apply to posts which do not lie within the limits referred to under article 10 in my letter of May 13th, as laid down in Sir E. Head's letter of November 11th, 1863, and that within these limits the extent of land to be retained round each post shall not exceed 3000 acres, all the lands retained to be free from taxation, except when reclaimed from a wild state.

Lastly, the Committee cannot deny that the stipulation that the Committee shall have power to bring before the Judicial Committee of Her Majesty's Privy Council, matters in dispute, is open to the objection that the Privy Council acts only as a Court of Appeal, and as they presume that the Company would be entitled to appeal from the local Courts to the Privy Council, they do not think it indispensable to insist on this demand.

The Committee in declaring their willingness to make these alterations in the terms which they proposed, are actuated by a sincere desire to arrive at an agreement with Her Majesty's Government; but they are conscious that they would be wanting in their duty if

they did not add that at the half-yearly Meeting of Shareholders, held since my letter of May 13th was written, opinions were expressed strongly adverse to any arrangement for the cession of the Company's territorial rights which did not secure the payment as compensation of a sum of hard money.

Sir Edmund Head, in the concluding paragraphs of his letter of April 13th, 1864, in which terms were proposed similar to those now under discussion, but involving the cession of a part only of the Company's Territory, avowed to the Duke of Newcastle the apprehensions of the Committee that it might be difficult to convince the shareholders that the offers then made were to their advantage; and although the Committee have felt bound not to recede from the terms contained in my letter of May 13th, which were based on their former offers, they cannot conceal from his Grace that they anticipate a very serious opposition on the part of their shareholders to any such arrangement as that which they have put forward.

His Grace will recollect that at our first interview, before the Canadian delegates had started for England, Sir C. Lampson and I strongly insisted upon this point, and that we suggested that if Canada would agree to pay to the Company one million sterling in bonds, such a settlement might be acceptable to our proprietors.

The Committee entirely share this view. The more they consider the very complicated arrangements which have been devised as a substitute for the payment of a sum of money at once, the more they are convinced that it is as much for the interest of Canada as of the Company, that the claims of the Company should be provided for by a direct compensation, and not by contingent payments extending over a long series of years, and by grants of land under stipulations, which, although indispensable to protect the Company from spoliation, would be invidious in the eyes of the future settlers and embarrassing to the Colonial Government.

At the same time the Committee desire me to assure his Grace, that if their terms as now modified are agreed to by Her Majesty's Government, the Committee will use all their influence to induce the proprietors to confirm them.

I have the honor to be, Sir, your most obedient servant,

KIMBERLEY.

The Right Honorable C. B. Adderley, M.P.,
Colonial Office.

Mr. Adderley to the Earl of Kimberley.

1st December, 1868.

MY LORD,—I am directed by the Duke of Buckingham and Chandos to acknowledge the receipt of your Lordship's letter of the 27th October, and to express his Grace's regret that the serious illness of Mr. McDougall, one of the two delegates sent from Canada, which prevented his Grace from communicating with him, should have caused so long a delay in the answer.

His Grace regrets to perceive that the letter under reply does not afford much prospect of an arrangement being come to.

Her Majesty's Government, in the letter of Mr. Adderley of 23rd April to Sir Curtis Lampson referring to the negotiations which took place in 1864, requested to be informed "what terms the Company would be prepared to accept, proceeding on the principles then adopted, namely, that the compensation should be derived from the future proceeds of the lands, and of any gold which may be discovered in Rupert's Land, coupled with reservations of defined portions of land to the Company."

To this your Lordship replied that the Committee were prepared to recommend—

1. That the Company shall surrender all the territory which they hold under their charter, with the reservation of all their posts and stations, with an area of 6,000 acres round each such post or station; this reservation of 6,000 acres, however, not to apply to the Red River Settlement.

2. That the Company shall be entitled to receive 1s. for every acre of the land surrendered, which shall be disposed of by the Government whether by sale, lease, or free grant, or parted with in any other manner.

3. That one quarter of the sum received by the Government as an export duty for gold and silver, or on leases of gold and silver mines, or for licenses for gold and silver mining, shall be paid to the Company, the amount to be received under this and the preceding article being limited to a total sum conjointly of £1,000,000 sterling.

4. That the Canadian Government shall confirm all titles to land that has been alienated by the Company at Red River, or elsewhere.

5. That whenever the Government shall have sold, leased, granted, or otherwise parted with 50,000 acres, the Company shall be entitled for every such 50,000 acres to a free grant of 5,000 acres of wild land, to be selected by them.

6. That no tax be imposed upon any land belonging to the Company not under cultivation, and no exceptional tax shall be imposed upon the Company's other lands or property, or upon the Company's servants.

7. That the disputed matter of the Company's lands in Canada be settled by issuing grants on the footing formerly agreed upon by Mr. Vankoughnet and Mr. Hopkins.

8. That the Canadian Government shall take over from the Company all the materials for the construction of the telegraph now in Rupert's land, and the North-west Territory, on payment of the cost price, and the expenses already incurred with interest.

9. That full liberty to carry on their trade shall be secured to the Company, free from any special or exceptional taxation.

10. That until £1,000,000 sterling, stipulated by articles 2 and 3, shall be paid to the Company, no export duties shall be levied by Canada upon furs exported by the Company, and no import duties shall be levied upon articles imported by the Company into the North-Western territory, and into that part of Rupert's Land which is not included within the geographical limits laid down in Sir E. Head's letter of 13th November, 1863, the Company to be further entitled to import goods in bond free of duty, through any part of the surrendered territory into the North-Western territory and the aforesaid part of Rupert's Land.

Lastly. That in order to afford to the Company a guarantee for the due fulfilment of these provisions by the Canadian Government, power shall be given to the Company to bring before the Judicial Committee of Her Majesty's Privy Council for decision any matters connected with the carrying into effect the foregoing provisions, in respect of which they may consider themselves aggrieved.

His Grace intimated in reply, that there were "certain points in the terms set forth to "which he would not feel at liberty to agree in their present shape," and at the meetings which ensued, his Grace expressed his strong objections to the principle of the proposals of the Company respecting reserves of land to be selected from time to time at the discretion of the Company, and to the principle of special exemption from taxation in their favour, and expressed his opinion that there were many points in the other proposals requiring material modification.

Your Lordship's present letter intimates that the Company are unable to agree to certain modifications which suggested themselves during the discussions as modes of avoiding the objections entertained by His Grace, and proceeds to state the changes which the Company are willing to agree to, and which His Grace understands to be as follows:

1st. That the exemption from taxes on the Company's wild lands shall only last for a period of twenty years from the date of selection.

2nd. That any lands purchased by the Company shall not reckon in the quantities of 50,000 acres, in respect of which the Company should be entitled to select 5,000 acres.

3rdly. That the Company shall bear the expense of surveying their blocks of 5,000 acres.

4thly. That lands granted for such purposes as roads, churches or schools, shall not be liable to the payment of one shilling per acre to the Company.

5thly. That the same exemption shall apply to land set apart by Her Majesty's Government as Indian Reserves before the Company's territory is transferred to Canada.

6thly. That with regard to land around posts beyond what is designated the fertile belt, 6,000 acres shall be granted, and that only 3,000 acres shall be the quantity within that belt.

7thly. That the proposed recourse to the Privy Council as a Court of first instance, shall be abandoned.

His Grace is unable to recommend the adoption by Her Majesty's Government of such terms for the surrender of the territorial rights of the Company. Whatever be the future Government of the territory, whether by the Hudson's Bay Company or by Canada, or by any other authority, very considerable annual outlay will have, as in all other unsettled countries, to be incurred in clearing roads, maintenance and opening of navigation, &c., and surveying.

For these charges, the produce of the early sales of land is the natural resource.

But by the Company's proposals they would deprive the future Government of any prospect for a long time at least of receiving any income.

1st. They first stipulate, not for a share of the receipts from land, but for a definite sum per acre, a sum in all probability far in excess of what is likely in practice to be obtained for the greater portion.

2ndly. They stipulate that they shall retain certain reserves around their posts, amounting, therefore, according to the lists of posts handed in by Sir C. Lampson to upwards of 500,000 acres of the land most likely to be made available for settlement and sale, as being the land surrounding the established posts of the Company, they have, after long experience, retained as the most advantageous positions for trade and occupation, and of which nearly 100,000 acres surround the posts in what is called the fertile belt of the territory.

3rdly. And that they shall also receive a share of mineral rights, and confirmation of all titles.

4thly. They proceed to stipulate for a further reserve of one-tenth of the whole territory, and that the Company shall have this tenth in blocks of 5,000 acres to be selected as each successive 50,000 is alienated and not merely to select in the same locality, but anywhere; so that for instance, if land is alienated on the higher parts of the rocky mountains, at Jasper House for example, in consequence of the mining operations in that district, or for fishing stations or for mining purposes on the coast of Hudson's Bay or Labrador, the Company should be entitled to select the proportionate reserve in such part of the most fertile region as they may consider will realise the utmost profit to them, whether by its cultivation or development, or by its power of obstruction to others.

These lands moreover are to be exempt from taxation for a period of 20 years from selection, and the lands retained round the posts to be entirely free from taxation unless reclaimed.

These conditions his Grace cannot accede to. His Grace would, however, recommend Her Majesty's Government to agree to a surrender on the following conditions:

1st. That the land to be retained by the Company in the neighbourhood of their posts shall vary according to the importance of the post: in no case whatever exceeding 6,000 acres in all for any one post including the cultivated or reclaimed land now occupied, and in no case exceeding 3,000 acres, within the fertile belt for principal posts, and 500 acres for minor posts, the additional land to be set out so as not to include frontage to rivers or tracks, roads, or portages.

2nd. The Company to receive one-fourth share of all receipts from land. If any free grants of land be made for other than public purposes, such lands shall be deemed to have been sold at one shilling per acre.

3rd. That one quarter of the sum received by the Government as an export duty for gold and silver mines, or for licenses for gold and silver mining, shall be paid to the Company, the amount to be received under this and the preceding article being limited to a total sum conjointly of £1,000,000 sterling.

4th. That the Imperial Government shall confirm all titles to land that has been alienated by the Company at Red River or elsewhere.

5th. That the Company shall have the option of selecting 5 lots of not less than 200 acres each in each township, whenever it is set out, on payment of rateable cost of survey.

6th. That no exceptional tax shall be imposed on the Company's lands, trade, or servants.

7th. That full liberty to carry on their trade shall be secured to the Company.

8th. The Company to have similar reserves granted them in connection with their posts in the North-West Territory.

9th. The Boundary Lines between Hudson's Bay and Canada to be defined, and

between Hudson's Bay and North-West Territory to be defined by a natural or geographical boundary agreed on.

10th. No wild lands to be taxable until surveyed and marked.

11th. That whenever the payment of £1,000,000 sterling under Article 3 shall have been made as therein provided in cash, or otherwise extinguished by any payment or commutation by Canada to the satisfaction of the Company, the rights of the Company to further selections of lots, to royalties, and share of land receipts shall cease.

12th. Such lands as Her Majesty's Government shall deem necessary to be set aside for the use of the Native Indian population shall be reserved altogether from this arrangement, and the Company shall not be entitled to the payment of any share of receipts or any royalty therefrom, or right of selection in respect thereof under previous articles, unless for such part, if any, of these lands as may be appropriated with the consent of the Crown to any other purpose than that of the benefit of the Indian Natives.

If these terms are approved, Her Majesty's Government will be prepared to conclude an arrangement, and to submit it to the Canadian Government for their favourable consideration; but if the Company shall not assent to these conditions, Her Majesty's Government will consider themselves unpledged by any of the offers that have been made.

I am, &c.,

(Signed)

C. B. ADDERLEY.

The Earl of Kimberley.

Sir F. Rogers to Sir George E. Cartier.

DOWNING STREET,

30th December, 1868.

SIR,—I am directed by Earl Granville to transmit to you a copy of a letter which His Lordship has received from the Deputy Chairman of the Hudson's Bay Company, relating to some steps which have been taken under authority of the Canadian Government, and from which they apprehend some invasion of their territorial rights.

His Lordship will be glad to receive from you or from Mr. McDougall any explanation with which you or he may be able to furnish him of the steps taken by the Canadian Government.

I am, Sir,

Your obedient Servant,

(Signed),

FREDERIC ROGERS.

Sir G. E. Cartier, Bart.

Deputy Governor of Hudson's Bay Co., to Sir F. Rogers.

HUDSON'S BAY HOUSE,

London, 22nd December, 1868.

SIR,—I have the honour to enclose for the information of the Right Honourable the Secretary of State for the Colonies, extracts of letters recently received from Governor Mactavish, dated Fort Garry, Red River Settlement, October 10th and November 11th, from which it will be seen that the Canadian Government have intimated through an agent, sent to Red River by the direction of the Canadian Commissioner for Public Works, their intention to construct a road from Fort Garry to the lake of the Woods, through the territory of the Company. A trespass upon the freehold territory of the Company must be committed in order to carry out this intention.

The Committee cannot but look upon this proceeding as a most unusual and improper one, especially as negotiations are at present pending for the transfer of the territory of the Company to Canada. This trespass will be an actual encroachment on the soil of the Company, and that too by a Government which has constantly up to this time, and still disputes the right of this Company over that soil.

The Committee therefore ask for the intervention of Her Majesty's Government, but at

the same time they beg leave to say that any application by Her Majesty's Government or the Canadian Government for permission to make this road will be favourably entertained.

I have, &c.,

(Signed,)

C. M. LAMPSON,
Deputy Governor.

Sir Frederic Rogers, Bat.,
&c., &c., &c.
Colonial Office.

EXTRACTS OF LETTERS from Governor Mactavish, to W. G. Smith, Esquire, Secretary, dated respectively, Fort Garry, Red River Settlement, the 10th October and 11th November, 1868.

10th October.—“ I am informed that the Canadian Government have forwarded in charge of a Mr. Snow, a quantity of provisions which Mr. Snow has written to one of the merchants here to provide freight for from Georgetown, and appointed the 15th instant as the date on which the supplies will be at Georgetown. Mr. Snow himself says nothing on the subject, but it is rumoured here that he comes up for the purpose of superintending the making of a cart road from this place to the Lake of the Woods, and that the provisions that he is bringing, are to be used in payment of labor on the above road.”

11th November.—“ Mr. Snow, who I before advised you as expected here to superintend in making a road from this settlement to the Lake of the Woods, with a view to opening direct communication with Canada, arrived some time ago, and is now on the eve of commencing operations. He has brought in with him some provisions with which he purposes paying for labor on the road. On his arrival here, he called on me to shew his instructions from the Commissioner of Public Works. These contained nothing of any consequence beyond the expression of a hope on the part of the Commissioner that the Company's agent here would offer no opposition to Mr. Snow's operations, but would leave the matter entirely in the hands of the Imperial Government, which as generally people here regard Mr. Snow's arrival as opportune on account of the scarcity of provisions, I agreed to do, and without instructions, to protest against Mr. Snow's action, I did not think it politic to do so.”

Sir George E. Cartier and Mr. McDougall to Sir F. Rogers.

WESTMINSTER PALACE HOTEL, LONDON,
January, 16th 1869.

SIR,—We have the honour to acknowledge receipt of your letter of the 30th ult. (with its enclosures), stating that you were directed by Earl Granville to transmit to us a copy of a letter which his Lordship had received from the Deputy Chairman of the Hudson's Bay Company, relating to some steps which have been taken under the authority of the Canadian Government, and from which the Company apprehend some invasion of their territorial rights.

You inform us that his Lordship will be glad to receive from us any explanation which we may be able to furnish him of the steps taken by the Canadian Government.

We have read the letter of the Deputy Chairman, and extracts from the letters of Governor Mactavish, and have much pleasure in being able to furnish his Lordship with what we hope will prove satisfactory information on the subject of the Hudson's Bay Company's complaint.

1. In the month of September last, very precise information reached the Canadian Government that, in consequence of the complete destruction of their crops by locusts, the people of the Red River Settlement, numbering probably from 12,000 to 15,000 souls, were in imminent danger of starvation during the winter about to set in.

2. Numerous and earnest appeals for aid had already been made to the Canadian public by writers in the newspapers, and by clergymen and others acquainted with the country. The Right Reverend Robert Machray, Lord Bishop of Rupert's Land, a member of the Council of Assiniboia and so far a representative of the Company, visited Ottawa,

and urged upon members of the Canadian Government the duty of prompt assistance to avert the threatened calamity.

3. No steps had been taken (so far as the Government could learn) by the Hudson's Bay Company, to provide supplies, and aware that a few days' delay at that season might render it impossible to get provisions to Red River in time to afford relief, the Canadian Government appropriated the sum of twenty thousand dollars (\$20,000) towards the construction of a road from Lake of the Woods to Fort Garry. The Minister of Public Works (one of the undersigned) was directed to expend the principal part of this sum in the purchase of provisions, which were to be forwarded with all possible despatch to the Red River settlement, and offered to the settlers, not as alms, but in exchange for their labour on a public work in their own vicinity, and of the highest utility to their settlement.

4. A confidential and experienced agent proceeded at once to St. Paul's, Minnesota, and succeeded in forwarding a considerable supply of provisions before the close of navigation. A further quantity has reached Fort Abercrombie, an American post in Dakota territory, from which point it can be sent to the settlement early in the spring.

5. Information has reached the undersigned since their arrival in England, that the Government Agent had, in accordance with his instructions, conferred with the local authorities on his arrival at Fort Garry; that he had received their approval and promise of assistance; that his timely aid was a cause of much joy and thankfulness in the settlement, and that he had proceeded with a large force of labourers to the limit of the prairie country, some thirty miles from Fort Garry, towards Lake of the Woods, and had there commenced the construction of the road.

6. The immediate object of the Canadian Government in taking the steps complained of, was, to supply food to a starving community about to be imprisoned for six months in the heart of a great wilderness, without roads, or means of communication with their fellow-subjects, and, to supply it in the way most acceptable to a high spirited people, viz., in exchange for their labour. It was thought that even the Hudson's Bay Company might look with favour upon a public work which, when completed, will prove a valuable protection to those under their government against similar dangers in the future. On behalf of the Canadian Government, we deny that a "trespass" has been committed, or that our action in this matter was intended to forestall or embarrass negotiations, which the Imperial Parliament had directed to be undertaken for the transfer of the North Western territories and Rupert's Land to the Dominion of Canada.

The foregoing explanation may perhaps be deemed sufficient to enable Earl Granville to answer the complaint of the Hudson's Bay Company against the Canadian Government, but the undersigned beg leave to add one or two observations which in their opinion, this extraordinary demand for the "intervention of Her Majesty's Government," both invites and justifies. If the Hudson's Bay Company, who claim the right to hold and govern the territory in which the alleged "trespass" has taken place, had performed the first duty of a government towards its people, by providing them with easy means of communication with the outer world, or if they had shown themselves either able or willing to meet the threatened calamity by a prompt effort to forward sufficient supplies to the settlement before the close of navigation, the Canadian Government would have rested happy in the belief that neither humanity nor public policy required or justified their interference.

The assertion of the Deputy Governor of the Hudson's Bay Company that the country between Lake of the Woods and Red River is "the freehold territory of the Company," and that the so-called "trespass" of the Canadian Government in sending provisions to the starving settlers, and assisting them to make a road for their own convenience and safety hereafter, is "an actual encroachment on the soil of the Company," might, if unnoticed by us, be claimed as another proof or admission of the rights of the Company in that part of the Continent. We, therefore, beg to remind his Lordship that the boundaries of Upper Canada on the North and West, were declared under the authority of the Constitutional Act of 1791, to include "all the territory to the Westward and Southward" of the "boundary line" of Hudson's Bay, to the utmost extent of the country commonly called or known by the "name of Canada." Whatever doubt may exist as to the "utmost extent" of old, or French Canada, no impartial investigator of the evidence in the case can doubt that it extended to, and included the country between Lake of the Woods and Red River.

The Government of Canada, therefore, does not admit, but, on the contrary, denies,

and has always denied, the pretensions of the Hudson's Bay Company to any right of soil beyond that of squatters, in the territory through which the road complained of is being constructed.

Sir Frederic Rogers, Bart., &c., &c., &c.,
Colonial Office.

We have, &c.,
(Signed)

G. E. CARTIER,
WM MACDOUGALL.

Letter from Sir Stafford H. Northcote to Sir Frederic Rogers, Bart.

HUDSON'S BAY HOUSE, LONDON, February 2d, 1869.

SIR,—I have the honor to acknowledge your letter of the 28th January, addressed to the Deputy-Governor of this Company, enclosing a communication from Sir G. Cartier and Mr. MacDougall, on the subject of the recent proceedings of the Canadian Government in the matter of the construction of a road through the Company's territory between Fort Garry and the Lake of the Woods.

After the distinct statement contained in Sir Curtis Lampson's letter of the 22nd December, that the Company, while protesting against a trespass on their land, were prepared favorably to entertain any application for permission to make such a road, either on the part of the Imperial or of the Canadian Government, the Committee think it unnecessary to discuss the greater portion of the letter of the Canadian Ministers. Their objection is not to the road's being made, but to its being undertaken by the Canadian Government as a matter of right, as though the territory through which it is to pass were Canadian. Such a step, taken at a moment when negotiations are in progress for the transfer of the Company's possessions to Canada, and taken by a Government which openly disputes their title to this portion of them, could not have been allowed to pass unchallenged without derogating from the Company's rights. The Canadian Government themselves seem to have been alive to this. Mr. McTavish states that the Agent of that Government (Mr. Snow) on arriving at the Red River, communicated to him his instructions from the Commissioner of Public Works in Canada, containing the expression of "a hope on the part of the Commissioner that the "Company's Agent here would offer no opposition to Mr. Snow's operations, but would "leave the matter entirely in the hands of the Imperial Government." Governor McTavish, upon this, very properly allowed Mr. Snow to commence his operations; and so far as this Company is concerned, no impediment has been, or will be, offered to the prosecution of the work.

If it were worth while to discuss that part of the letter of the Canadian Ministers which refers to the circumstances under which the construction of the road was ordered, the Committee would be able to show that the Company had in no way failed in their duty to the Colony; but that they had promptly taken measures for the relief of its inhabitants, and had supplied large sums, both by direct grants and by subscriptions raised under their auspices for that purpose, at a period anterior to the appropriation of the Canadian road grant. They would also be able to point out how the delay which has occurred in opening up communications and otherwise developing the resources of the Red River Settlement, is due to the restraint which has been imposed upon them by Her Majesty's Government at the request of Canada, and not to any negligence or indifference of their own.

But the Committee desire to avoid the raising of a false issue, and they accordingly instruct me to re-state to Earl Granville the precise complaint which they have to make. It is this:—that while negotiations are going on for the acquisition of their territory by Canada, the Canadian Government are endeavouring to exercise rights of ownership over a portion of that territory, to the exclusion of the Company, and to the prejudice of their title. This they are doing by virtue of an old claim which they have repeatedly advanced, which the Company have invariably disputed, and have declared themselves ready to contest before a court of law, and which Her Majesty's Government, acting under the advice of various Law Officers of the Crown, have declined to endorse.

The Canadian Government have hitherto shewn no inclination to bring their claim to the test of a judicial decision, and in the absence of any such decision, the Committee consider it not unreasonable to ask that due respect should be paid by the Company's uninterrupted possession of the territory for two centuries, and to the numerous and weighty legal opinions which have from time to time been given in their favor.

In appealing to Earl Granville for support in this matter, instead of entering into a controversy with Canada, or taking legal steps to enforce the Company's rights, the Com-

mittee have been actuated by a desire to proceed as far as possible in accordance with the views and wishes of Her Majesty's Government, as they have endeavoured to do throughout the pending negotiations for the establishment of a settled form of Government at the Red River. They desire now respectfully, but confidently, to claim the support and protection of the Colonial Minister against any invasion of the Company's rights which may have been prompted or facilitated by the policy which they have adopted in order to meet the wishes of the Colonial Office.

I have, &c.,

Sir Frederic Rogers, Bart.

STAFFORD H. NORTHCOTE.

Sir S. Northcote to Sir F. Rogers.

HUDSON'S BAY HOUSE, LONDON, *January 13th, 1869.*

SIR,—I have the honor to acquaint you, for the information of Earl Granville, that I was elected by the shareholders of this Company on Tuesday, the 5th instant, to the office of Governor, vacant by the resignation of the Earl of Kimberley.

It now becomes my duty to address you in reply to Mr. Adderley's letter, dated the 1st December, 1868, which was received by my predecessor on the eve of his resignation, and to which in consequence of that event the Committee have not been able to send an earlier answer.

Before making any observations upon the particular topics discussed in Mr. Adderley's letter, I am desired by the Committee to assure Lord Granville that they continue sincerely anxious to promote the object with a view to which this Company was re-constructed five and a-half years ago, viz., the gradual settlement of such portions of their territory as admit of colonization: that they adhere to the opinion expressed in their resolution of the 28th August, 1863, viz., that the time has come when it is expedient that the authority, executive and judicial, over the Red River Settlement and the south-western portion of Rupert's Land, should be vested in officers deriving such authority directly from the Crown; and that they cheerfully accept the decision of Her Majesty's Government, communicated to them in Mr. Adderley's letter of the 23rd April, 1868, viz., that the whole of the Company's territory should, under proper conditions be united with the Dominion of Canada, and placed under the authority of the Canadian Parliament.

Acting in accordance with the wish of Her Majesty's Government as conveyed to them in Mr. Elliott's letter of the 23rd January, 1867, the Committee have declined to encourage overtures which have been made to them by private persons for the purchase of portions of the Company's territory with a view to their colonization, and have kept the whole question in abeyance during the time that the negotiations which have led to the confederation of the British Provinces constituting the Dominion of Canada were proceeding. In the whole of that time they have taken no step which could give rise to fresh complications, or could place any new difficulty in the way of the admission of their territory into the confederation when the proper moment should arrive; and when they were informed by Mr. Adderley's letter of the 23rd of April, that the Parliament of Canada had addressed Her Majesty upon this subject, and were requested to state the terms which the Company would be prepared to accept, proceeding on the principle adopted in the interrupted negotiation of 1864, they unhesitatingly complied with the desire of the Government.

It is therefore with surprise, as well as with regret, that they have learnt from the letter now under reply that the terms proposed by them, even when most strictly in conformity with the principles adopted in 1864, are considered by Her Majesty's Government to be inadmissible, and not to afford much prospect of an arrangement being come to. They find, for instance, that the stipulation that the Company should receive one shilling per acre on lands hereafter sold, which was originally suggested to the Committee by His Grace the late Duke of Newcastle, in Mr. Fortescue's letter of March 11th, 1864, and which has never hitherto been called in question, is the first point to which exception is now taken. Objections are also raised against several other proposals which have been long before the Government, while no notice at all is taken of some which have been made for the first time with a view to the protection of the Company's trade, and with regard to which the Committee are left in ignorance, whether they are considered admissible or not.

The Committee, although somewhat embarrassed by this apparent change in the spirit of the correspondence, desire me however to make the following observations upon some of the remarks contained in Mr. Adderley's letter, in order that there may be no misapprehension as to the bearing of their proposals.

The Committee are aware that, as is stated in Mr. Adderley's letter, in order to prepare the country for settlement, very considerable annual outlay will have to be incurred, and that for this charge, the produce of the early sales of land in the natural resource; but they are at a loss to understand upon what ground it is alleged that their proposals would deprive the future Government of the ceded territory of "any prospect for a long time at least of "receiving any income."

The only part of the territory in which it is probable that any early or extensive settlement will take place, is the part known as the fertile belt. It has been confidently asserted by independent persons who have travelled through the country, that a great part of this land is not inferior in quality, or in advantages of climate, to the adjoining United States territory now forming the State of Minnesota, and it has been justly pointed out that, being prairie land, it does not require much labour to render it fit for cultivation. But the price of land in Minnesota ranges, as the Committee are informed, from five shillings to one pound per acre. The Committee think, therefore, that the fixed payment of one shilling per acre, proposed by the Duke of Newcastle and accepted by them as a basis of compensation, cannot be deemed to be unreasonable, in so far as related to land sold within the limits set forth in Sir Edmund Head's letter of the 11th of November, 1863.

As regards any portions of land lying outside those limits which may possibly be sold, the Committee think it very improbable that such sales will take place except for mining purposes, in which case the payment of a shilling per acre could hardly be deemed excessive. In order to save trouble and to obviate disputes, therefore, the Committee proposed the fixed payment of one shilling per acre in respect of all sales wherever they may take place, and they believe that the arrangement would have been, on the whole, more favourable to Canada than that suggested by Mr. Adderley.

Mr. Adderley proceeds to remark with reference to Lord Kimberley's proposal, that the Company should retain certain reserves around their posts; that the reservations would amount to upwards of 500,000 acres. It was however stated by Lord Kimberley and the Deputy-Governor at an interview with the Duke of Buckingham upon this subject, that the Committee were willing to confine their claim for reserves to the limits defined by Sir Edmund Head's letter of the 11th November, 1853; that they were prepared to agree that such reservations should be measured by the importance of the posts to which they were to be attached, and should in no case exceed 3,000 acres. The total quantity of land to be retained by the Company under this arrangement, would not exceed 50,000 acres. The Committee cannot agree to the absolute exclusion of these reserves from all frontage to "rivers or tracks, roads or portages" which would render them entirely valueless, although they would have been ready to consider any reasonable limitation of these special advantages.

As regards the right of selecting lands for the Company in proportion to the quantities sold from time to time by the Government, the Committee desire to call Lord Granville's attention to the reasons given in Sir E. Head's letter of the 13th April, 1864, for adopting this mode of reservation in preference to that of "setting apart beforehand a number of "isolated tracts of wild land, dotted over the surface of the colony, and calculated to impede "the free flow of settlement in the territory." Their proposal was framed with reference to sales in the fertile belt only, and it never entered into their minds to contemplate such contingencies as those suggested in Mr. Adderley's letter. In order, however to obviate all cavil upon this point, they would have been quite willing to limit the Company's right of selection to the case of lands sold or alienated within Sir E. Head's limits, provided that it were agreed that no alienations should take place beyond those limits, except either for distinctly public purposes or for the bona fide carrying on of agricultural or mining operations. As regards Mr. Adderley's proposal that the right of selection should be confined to five lots of 200 acres each, in each township as it is set out, the Committee can only remark that the character of this proposal must depend upon the size of the township, of which no indication has been given.

The Committee still adhere to the opinion that under the peculiar circumstances of the proposed transfer of their territory it would be reasonable that their wild lands should, for a limited time, be exempt from taxation in order to allow them a fair opportunity of bringing them into profitable cultivation.

They observe that Mr. Adderley makes no reference to the tenth stipulation contained in Lord Kimberley's letter of the 13th May, viz., that until the stipulated sum of £1,000,000 sterling has been paid to the Company, no export duties shall be levied by Canada upon furs

exported by the Company, nor any import duties on articles imported by them into the North Western Territory, and into that part of Rupert's Land which is not included within the geographical limits laid down in Sir Edmund Head's letter of November 11th, 1863. This is a point to which the Committee attached very great importance. If it had been proposed by the Canadian Government to make a direct purchase of the Company's territory, and to pay the price for it at once, the Company would of course have accepted their fair share of the burdens which annexation might be expected to involve. But if the purchase-money is to be withheld until the Canadian Government have sold off 20,000,000 acres of the land, or have realised a considerable sum by the produce of mining operations, it is reasonable that the pressure of the fiscal burdens, which would fall almost exclusively upon the Company's trade, should be suspended also. Otherwise it might happen that, in consequence of the neglect or the inability of the Canadian Government to proceed with the settlement of the territory, the Company would be subjected to very heavy contributions to the colonial treasury without receiving the smallest benefit in return. As an illustration of the extent to which they might thus be injured were no limitation placed upon the colonial power of taxation, I may observe that, according to the present Canadian tariff, the duty upon the value of the Company's imports alone would amount to about £20,000 a-year, while any export duty that might be laid upon their furs would operate still further to their disadvantage. The Committee feel confident that Lord Granville will acknowledge the reasonableness of their taking precautions against such a contingency.

The Committee have desired me to offer to Lord Granville these explanations of their proposals, in order to show that they have done their best to comply with the desire of Her Majesty's Government, that they should submit a scheme founded on the principles of the negotiations of 1864. They have not, however, failed to perceive from an early period of the lengthened correspondence which has taken place between them and the Government, that those principles necessarily gave rise to many difficulties; and they have felt this the more strongly since the negotiations originally commenced between the Company and Her Majesty's Government have virtually become negotiations between the Company and the Government of Canada. They cannot disguise from themselves the danger which exists that arrangements so complicated, and involving so many topics for future discussion, are likely to lead to the Company's being placed in a position of antagonism to the Government of Canada, and to the creation of a state of things injurious not only to their own interests but to the welfare of the country itself. They are sincerely anxious to co-operate with the Canadian Government in the settlement, development, and improvement of the territories with which they have been so long connected, and they believe that, if the arrangement between them can be placed on a satisfactory footing, it will be in their power to render material assistance to the Colonial authorities in this respect. They believe that, if a simpler arrangement than that which has recently been under discussion could be adopted, and if the Canadian Government were prepared to complete the purchase of the territory at once, by the payment of a sum of money or by the delivery of bonds, it would conduce to a more satisfactory result than the prolongation of a controversy as to the minute points of such a scheme as has been under consideration.

Should Lord Granville be of this opinion, and should his Lordship think it desirable to recommend any proposal of the kind to the Canadian Delegates, this Committee will gladly place themselves in fuller communication with him on the subject.

I have, &c.,

(Signed) STAFFORD H. NORTHCOTE,
Governor.

Sir Frederic Rogers, Bart.,

Sir F. Rogers to Sir G. Cartier and Wm. MacDougall.

DOWNING STREET, 18th January, 1869.

GENTLEMEN,—I am directed by Earl Granville to transmit to you, for any observations which you may wish to offer upon it, the enclosed copy of a letter from the Hudson's Bay Company in answer to the proposals made to them by the Duke of Buckingham and Chandos in the letter from this Department of the 1st of December last, with respect to the proposed cession to the Crown of the Company's territorial rights in British North America.

I am, Gentlemen,

Sir G. E. Cartier, Bart,

Your obedient servant,

W. MacDougall, Esq., C. B.

FREDERIC ROGERS,

Sir Geo. E. Cartier and Mr. MacDougall to Sir F. Rogers.

WESTMINSTER PALACE HOTEL,

LONDON, *February 8th*, 1869.

SIR,—We have the honour to acknowledge the receipt of your letter of the 18th ultimo, enclosing a copy of Sir Stafford Northcote's letter of the 13th ultimo, in reply to proposals made to the Hudson's Bay Company for the cession to the Crown of their territorial rights in British America, by His Grace the Duke of Buckingham and Chandos, in the letter of Mr. Adderley of the 1st December last.

You state that Earl Granville directed you to transmit this document to us for any observations which we may wish to offer upon it. His Lordship's courtesy and consideration in sending us a copy of Sir Stafford Northcote's Letter and inviting us to express our views upon it are gratefully acknowledged, but upon reflection we thought it would be expedient to refrain from any formal expression of our opinion on new and indefinite propositions, until we had received some intimation of the view which his Lordship was likely himself to take of them, or of the policy in respect to the general question which Her Majesty's present advisers intend to adopt.

At an interview, with which we were favoured by Earl Granville on the 26th ultimo, he expressed his preference for a less complicated mode of dealing with the Hudson's Bay question than that proposed by the Duke of Buckingham and Chandos, and requested us to communicate to him our observations on the reply of Sir Stafford Northcote, and especially on the proposition with which his letter concludes, viz., that the Canadian Government should "complete the purchase of the territory at once, by the payment of a sum of money "or by the delivery of bonds."

As we have had but few opportunities to confer with his Lordship since his accession to office, it may be proper, before considering Sir Stafford Northcote's letter, to state the position of the Canadian Government, as we apprehend it, in this negotiation.

The British North America Act of 1867, affirmed the policy of uniting under one government all the colonies, provinces, and territories of British North America. Three provinces were united at once, and provision was made by the 146th section, for the admission into the union, of the remaining colonies, on address to Her Majesty by their respective Legislatures and the Parliament of Canada.

The North-west territories and Rupert's Land, or either of them, are to be admitted on the address of the parliament of Canada alone, and on such terms and conditions as the Canadian Parliament may, in its address express, and Her Majesty approve.

In pursuance of the policy of the Imperial Parliament thus distinctly affirmed, the Canadian Parliament at its first session under the new constitution, adopted an address to Her Majesty for the incorporation of the North-West territory and Rupert's Land with the Dominion of Canada. The terms and conditions expressed in the address were,—

1st. That Canada should undertake the duties and obligations of Government, and legislation in respect of those territories.

2nd. That the legal rights of any Corporation, Company, or individual within the territories should be respected, and that provision should be made for that purpose by placing those rights under the protection of courts of competent jurisdiction.

3rd. That the claims of the Indian tribes to compensation for lands required for purposes of settlement should be considered and settled, in conformity with the equitable principles which have uniformly governed the British Crown in its dealings with the Aborigines.

The above were the only terms and conditions which, in the opinion of the Canadian Parliament, it was expedient to insert in the Order in Council, authorised by the 146th section.

His Grace, the Duke of Buckingham and Chandos, on receiving the address of the Canadian Parliament, consulted the law officers of the Crown, who advised, among other things, that "there would be much difficulty created by the existence of the charter" of the Hudson Bay Company, "to putting into execution the powers of the 140th (146th) section "of the British America Act, 1867, assuming that the Hudson's Bay Company were ad-verse to the union."

A Bill was thereupon carried through the Imperial Parliament, apparently to remove

the "difficulties" which the law officers had discovered. It reverses the order of procedure contemplated by the Act of 1867, and observed by the Canadian Parliament in its address, and makes the assent of the Company a condition precedent to the transfer.

The Canadian Government were not consulted as to the terms of this Act; they could not understand why it was necessary, and greatly doubted the expediency of passing it.

The Duke of Buckingham and Chandos, having opened negotiations with the Hudson's Bay Company under the authority of the Act last mentioned, invited a delegation from the Canadian Government to confer with him in this country. The undersigned, duly commissioned for that purpose, repaired to London in October last, and had frequent interviews with His Grace before his retirement from office.

The proposals submitted to the Company by the late Government in the letter of Mr. Adderley of the 1st December last, were not made at our suggestion, although we were disposed to think (and so informed His Grace) that if the Company accepted them, the Canadian Parliament might be persuaded to undertake the duties of legislation and government in the territories on the conditions specified.

The Company, through Sir Stafford Northcote, have declined to accept either the principle or the mode of settlement proposed by the late Government, but suggest a new and summary method of closing the negotiations, by demanding that the Canadian Government should, by a payment in cash or bonds, "complete the purchase of the territory at once." No sum is mentioned, and no data given from which it can be inferred. Under these circumstances, we are asked, as representatives of the Canadian Government, to communicate to Earl Granville any observations we may wish to offer on this reply and proposition of the Company.

His Lordship will readily perceive from the foregoing recital, that, as representatives of the Canadian Government, we are in the position of spectators of a negotiation, begun and carried on upon principles and under conditions to which we are strangers, rather than that of assenting principals, responsible for its initiation, and bound by its results.

Without undertaking, therefore, that our views on every point will be approved by the Canadian Government, we proceed most respectfully to offer a few observations on Sir Stafford Northcote's reply to the recent proposals of the Imperial Government.

It will be observed that two things are assumed in these proposals to the Company, which the Canadian Government have always disputed.

1st. That the charter of Charles II. is still valid, and grants the right of soil, or freehold, of Rupert's Land, to the Company.

2nd. That Rupert's Land includes the so-called "Fertile Belt," extending from the Lake of the Woods to the Rocky Mountains.

The law officers of the Crown in England have, on two or three occasions, given their opinion in favour of the first assumption, but never, so far as we are aware, in favour of the second. The report of the law officers in 1857 admits that the geographical extent of the territory granted must be determined by excluding the country that "could have been right-fully claimed by the French as falling within the boundaries of Canada," (which the charter itself excludes by express words), and states that "the assertion of ownership on important public occasions, as at the treaties of Ryswick and Utrecht," should be considered; and also "the effect of the Acts of 1774 and 1791." The most recent opinion of the law officers of the Crown which we have seen (January 6th 1868), as to the rights of the Hudson's Bay Company, does not even by implication support their present claim to the fee-simple of nearly one-third of the American continent. On the contrary, Sir John Karslake and his colleagues conclude their report with the emphatic statement that it is "very necessary, before any union of Rupert's Land with Canada is effected, that the true limits of the territory and possessions held under the charter should be accurately defined." An assumption, therefore, which covers so much ground, and is unsupported by any competent legal authority: which ignores the repeated protests and claims of Canada, and seeks to supply a basis upon which a surrender for valuable consideration may be made, is, to say the least, a most favourable assumption for the Company. We notice these points in Mr. Adderley's letter before remarking on Sir Stafford Northcote's reply, to prevent the possible inference that we have acquiesced in them.

Sir Stafford Northcote assures Lord Granville that the Company "continues sincerely anxious to promote the object with a view to which the Company was re-constructed five

"and a-half years ago, viz., the gradual settlement of such portions of their territory as "admit of colonization." It would be tedious to quote the numerous and positive averments by members and governors of the Hudson's Bay Company, in the course of official inquiries during the last fifty years, that their territories (in which they included the Red River and the Saskatchewan districts) are totally unfit for colonization. The evidence of Sir George Simpson before the House of Commons Committee of 1857, is a fair sample of the views heretofore entertained and avowed by the representatives of the Company. (*Vide* Commons Report, 1857; Questions 716, 717, 718, 719, &c.) Mr. Ellice, for many years the ruling spirit of the Company, declared before the same committee that the Red River settlement was an "unwise speculation," and "had failed;" that "the climate is not favourable;" that the Saskatchewan is a country capable of settlement only when "the population of America becomes so dense that they are forced into situations less fit for settlement than those they occupy now;" that the winters are "rigorous," and the country badly off for "fuel," &c. (Questions 5,840 and 5,847).

With such views of the unfitness of the country for settlement, and avowing their belief that colonization and the fur-trade could not exist together, it is not surprising that the Company have always cherished the latter, which was profitable, and discouraged, and, as far as possible, prevented the former, which had proved an "unwise speculation." It is true that the Company was "re-constructed" in 1863, with loud promises of a new policy. A great road across the continent was to be made, a telegraph line was to be put up, and emigration and colonization developed on a large scale. The Duke of Newcastle, then Secretary of State for the Colonies, was so much impressed by the zeal and public spirit of the gentlemen who effected the re-construction, that he wrote despatches to the Canadian Government on their behalf, and evidently believed that a new era was about to open in the north-west, and the wild animals and fur traders retreat before the march of "European" settlers. The stock of the old Company, worth in the market about £1,000,000, was bought up, and by some process which we are unable to describe, became £2,000,000. A show of anxiety to open postal and telegraphic communication was made, and "heads of proposals" were submitted to the Governments of Canada and British Columbia, which on examination were found to embrace a line of telegraph only, with the modest suggestion that the two Governments should guarantee the company a profit of not less than 4 per cent. on their expenditure! A proposal so absurd could only have been made to be rejected, and it was rejected accordingly. The surplus capital of the re-constructed Company, which was called up for the avowed purpose of opening their territories to "European colonization, under a liberal and systematic scheme of land settlement," has never been applied to that purpose. Five and a half years have passed since the grand scheme was announced to the world, but no European emigrants have been sent out, no attempts to colonize have been made. Sir Stafford Northcote was not probably aware, when he vouched for the *bonâ fide* of the Hudson's Bay Company as promoters of colonization, that a solemn vote of the shareholders was taken in the month of November, 1866, which condemned and rejected the policy of colonization, absolutely and definitively.

While unable, for the reasons stated, to concur in Sir Stafford Northcote's assurance that the Hudson's Bay Company are anxious to promote colonization, we are gratified to learn that they "adhere" to the resolution of 28th August, 1863, that the time has come when it is expedient that "the authority executive and judicial over the Red River Settlement and the South-western portion of Rupert's Land, should be vested in officers "deriving such authority directly from the Crown."

The first remark we have to make upon this reference to the resolution of 1863 is, that it admits the continued incapacity of the Company as a *governing* power; the second, that if this was true in 1863,—if at that time it had become expedient, to substitute the authority of the Crown for that of the Company,—it is much more expedient, if not absolutely necessary, now; and third, that if the Company are to be relieved of the duty and cost of Government which their charter imposes, and which they admit they do not and cannot properly discharge, compensation should be made, not to the Company, as is claimed, but *by* the Company to those who take the burden off their shoulders.

We confess we have failed to discover any evidence, and therefore cannot believe, that the Company have "cheerfully" accepted the decision of Her Majesty's Government, "that the whole of the Company's territory should, under proper conditions, be united with

"Canada." A brief notice of the *acts*, in contrast with the *professions* of the Company, will, we think, account for the ill success of our researches and justify our incredulity.

The representatives of the Company, while declaring before the House of Commons Committee in 1857 (as we have already shown) that their territories were "unfit for settlement," professed their readiness to surrender any portion of them that might be desired by the Imperial or Canadian Government for that purpose.

Mr. Ellice declared in the most unqualified terms, not only that the Company was willing to surrender, but that it was the duty of the Government to see that no mere trading corporation obstructed "for one moment," nor to the extent of "one acre of land fit for settlement," the "dominion of the actual settlers." (Commons Report, 1857; questions 5,859, 5,860 and 5,933).

The Governor of the Company informed the Colonial Secretary (18th July, 1857) that an inquiry into the "geographical extent of the territory granted by their charter," which the law officers had recommended, was of little importance, because, if the object of the inquiry was "to obtain for Canada land fit for cultivation and the establishment of agricultural settlers, the Directors are already prepared to recommend to the shareholders of the Company to cede any lands which may be required for that purpose. The terms of such cession," he assured Mr. Labouchere, "would be a matter of no difficulty between Her Majesty's Government and the Company."

Mr. Ellice had previously told the House of Commons Committee, that the question of boundary was "of no importance at all," because "if the province of Canada requires any part of the territory, or the whole of it, for purposes of settlement, it ought not to be permitted for one moment to remain in the hands of the Hudson's Bay Company." He added "that less money than would be spent in a litigation upon the subject would be sufficient to indemnify the Hudson's Bay Company for any claim which they could have on giving up any disputed part of their territory."

These assurances induced the Committee to negative propositions for ascertaining by a judicial inquiry the validity of the charter, or the position of boundaries, and to report in favour of annexing to Canada "such portion of the land in her neighbourhood as may be available to her for the purposes of settlement, with which she is willing to open and maintain communication, and for which she will provide the means of local administration." The Committee "trusted" that there would be "no difficulty in effecting arrangements as between Her Majesty's Government and the Hudson's Bay Company" for ceding the territory on "equitable principles."

It may be proper to remind Earl Granville, that leading members of the Committee of 1857, taking the offers of the Company on the subject of colonization to mean, what the language of their representatives imported, strongly opposed the recommendation to leave the question open for "amicable adjustment" upon "equitable principles," with the certainty of protracted negotiation and a chance of ultimate disagreement. Mr. Gladstone accordingly submitted resolutions for a prompt and definitive settlement of the whole question. He proposed—

1st "That the country capable of colonization should be withdrawn from the jurisdiction of the Hudson's Bay Company."

2nd. "That the country incapable of colonization should remain within their jurisdiction."

He proposed that in the country remaining within their jurisdiction power should be reserved to Her Majesty's Government to make grants "for the purposes of mines and fisheries, but with due regard to the immunities and trade of the company." No "immunities" were even suggested with respect to the country which was to be withdrawn for colonization. He proposed to ignore the Charter, by declaring that the jurisdiction of the Company "should rest henceforth upon the basis of statute." He quoted the Governor's letter above referred to, "as an expression of the willingness of the Company to accept in principle the arrangement" he proposed, and ended with the suggestion that, "as the Company had tendered concessions which may prove sufficient to meet the case," no decision seemed necessary as to the question of raising "a judicial issue with the view of ascertaining the legal rights of the Company." The propositions of Mr. Gladstone were only lost in the Committee by the casting vote of the chairman.

Twelve years have passed since these offers were made by the Company and accepted by

a committee of Parliament. Every Colonial Secretary, from 1858 to the present moment, has attempted to carry out the recommendation of the Committee, with the assent of the Company, but without success. Two Acts of the Imperial Parliament have been passed, with provisions to facilitate the arrangement, but are yet without fruit. Sir Edward Lytton Bulwer characterised the offers of the Company during his administration as "illusory," and declared that they "by no means met the exigencies of the case." He expressed his regret at a determination on their part which "retains the very difficulty in the way of speedy and "amicable settlement which he had sought to remove," and stated that if Canada declined to resort to "legal proceedings" (which he had recommended) "it would be his duty to consider whether negotiations with the Company can be resumed or whether in the last resort "Her Majesty's Government must take the matter into their own hands and proceed on their own account." (Mr. Merivale's letter to H. H. Berens, 9th March, 1859.) Sir Edward remained in office long enough to put an end to the Company's license of exclusive trade in British Columbia and the Indian Territories, but not long enough to carry out his policy of "connecting the two sides of British North America without the obstacle interposed by a "proprietary jurisdiction between them."

The Duke of Newcastle opened negotiations with the Company, in 1863-4 with much vigour. But after various proposals and counter-proposals including the "reconstruction" of the Company, he was obliged to treat their propositions as "inadmissible."

Mr. Cardwell, during his administration, could not accept their proposals "without considerable modifications."

The Duke of Buckingham, after many discussions with the representatives of the Company, regretted to perceive that their proposals "did not afford much prospect of an arrangement being come to;" and in the communication to which the letter of Sir Stafford Northcote is a reply, declared himself "unable to recommend the adoption" of the terms demanded by the Company.

Our notice of what, in Sir Stafford Northcote's opinion, constitutes a "cheerful" acceptance of the decision of Her Majesty's Government, would be incomplete, if we did not remind Earl Granville that the Company's "proper conditions" for the surrender of that portion of the North western Territories, for which they can shew no title but such as may be derived from the possession of a few trading posts, established there within the last fifty years, rose from a question of "no importance at all" in 1857, or at most, of "less money" than would be spent in a litigation on the subject," (House of Commons Report, Question 5834), to the retention, in 1863, in fee simple, of *half* the land proposed to be surrendered, with various other conditions, including a guarantee by the governments of Canada and British Columbia, of an annual profit on the Company's expenditures for improvements on their own property! In 1864, these conditions took the form of a demand, first, to be paid £1,000,000 sterling from sales of lands and mines, with large reservations "to be selected "by them," &c.; and, secondly, to be paid £1,000,000 sterling in cash, with other terms and reservations favourable to the Company.

In 1868 these conditions for the surrender of territorial and governing rights over the *whole* territory remained at £1,000,000, as in the first proposition of 1864, with large reservations of land at "selected" points, specially exempted from taxation, and with full liberty to carry on their trade free from the export and import duties, to which all other subjects of Her Majesty in that country would be exposed.

In 1869 these various proposals, which no Secretary of State could possibly entertain, have all been apparently merged in one grand proposition to sell out "the territory at once "for a sum of money," in cash or bonds, the amount of which is not stated.

We content ourselves under this head with the observation, that whatever others may be able to see in all these transactions, we are utterly unable to discover either a cheerful acceptance of the decision of any government, or an honest disposition to fulfil the solemn pledges made to Parliament in 1857, on the faith of which the Company was unquestionably saved from judicial or legislative extinction.

Sir Stafford Northcote claims credit for the Company because they have "declined to "encourage overtures which have been made to them by private persons for the purchase of "portions of the Company's territory with a view to their colonization." Our information is (and we can give Earl Granville names and dates, if the point is deemed of any importance) that the only "overtures" of the kind mentioned which the Company have received, were not

merely "encouraged," but suggested and concocted by prominent members of the Company, for the purpose of producing an impression on the Government, and with a view, not to colonization, but to *negotiation* and the Stock Market.

We are not sure that we understand the statement of Sir Stafford Northcote that the Company "have taken no step which would give rise to fresh complications or place any new "difficulty in the way of the admission of their territory into the Confederation." The sale of land to private parties for colonization (assuming that *bonâ fide* offers have been received from such parties) could not give rise to much complication, except in the affairs of the Company. If Sir Stafford hints at the negotiations which were lately reported to be going on with certain American speculators in London for denationalizing and Americanizing the Company with a view to the "admission of their territory" into the United States, instead of the Confederation, we respectfully submit that while such a difficulty might indeed be "new," the proper person to solve it would be Her Majesty's Attorney-General with the aid of a court and jury of competent jurisdiction.

We do not understand that Earl Granville expects us to defend in detail the Duke of Buckingham's proposals, or to answer all the objections made to them by Sir Stafford Northcote. The Government of Canada, as we have already reminded his Lordship, neither suggested the Act of Parliament nor the terms of the negotiation, which the late Secretary of State for the Colonies attempted to carry out under its authority. The Canadian plan of dealing with the question of the North-Western Territory and Rupert's Land is set forth in the address of the Canadian Parliament to Her Most Gracious Majesty, and we do not feel at liberty, as representatives, to suggest any other mode, until we are informed by Her Majesty's Government that the one proposed is deemed impracticable.

Sir Stafford Northcote's suggestion that "the payment of a sum of money" for the purchase of the territory would conduce to a more satisfactory result, is, we believe, the point upon which Earl Granville specially desires to have our views. Assuming that by "territory" he means the *whole* territory to which the Company lay claim, and that they are to continue as a trading corporation, retaining their posts, and allotments of land in their neighbourhood, as he states was agreed upon by the Duke of Buckingham and Lord Kimberley, we have to observe :—

1. This proposition involves an abandonment of the *principle* which two Secretaries of State (and it must be presumed, two successive administrations), declared, after much consideration, and in view of the transactions of 1857, was properly and justly applicable to this case, viz : That the compensation should be derived from the future revenue of the territory itself, and payable only as it came into the hands of Government. This *principle* was also accepted by the Company in their communication of 13th April, 1864.

2. On the other hand, the principle of ascertaining and fixing a money value upon the territorial rights of the Company "in the British territory east of the Rocky Mountains "and north of the American and Canadian lines," and of extinguishing those rights by a payment "at once," was suggested, in 1865, by a delegation from the Canadian Government of that day, and assented to by Mr. Cardwell, then Secretary of States for the Colonies, and his colleagues.

If the latter principle and mode of settlement is now to be adopted, it is obvious that the first question is, What is the nature of these "rights" and what territories do they affect? and the second, What are the rights, separated from the duties and burdens attached to them by the Charter, fairly worth?

We shall not attempt to answer these questions fully in the present communication, but we venture to submit for Earl Granville's consideration a few facts and inferences, which cannot, we believe, be disputed, and which are essential elements in any calculation which may be attempted on the basis of a money purchase.

1. The Charter of Charles II. (and for the present we raise no question as to its validity) could not and did not grant to the Hudson's Bay Company any territory in America which was not then (1670) subject to the Crown of England.

2. The Charter expressly excluded all lands, &c., then "possessed by the subjects of "any other christian prince or state."

3. By the treaty of St.-Germain-en-Laye (1632), the King of England resigned to the King of France the sovereignty of Acadia, New France, and Canada, generally, and without limits.

4. "la Nouvelle France" was then understood to include the whole region of Hudson's Bay, as the maps and histories of the time, English and French, abundantly prove.

5. At the Treaty of Ryswick (1697) 27 years after the date of the Charter, the right of the French to "places situated in the Hudson's Bay" was distinctly admitted; and although commissioners were appointed (but never came to an agreement) to "examine and determine the pretensions which either of the said Kings hath to the places situate in the Hudson's Bay," and with "authority for settling the limits and confines of the lands to be restored on either side;" the places taken from the English (i. e. from the Hudson's Bay Company) by the French previous to the war, and "retaken by the English during this war, shall be left to the French by virtue of the foregoing (the 7th) article." In other words, the forts and factories of the Hudson's Bay Company, established in Hudson's Bay under pretence of their Charter and taken possession of by the French in time of peace, on the ground that they were an invasion of French territory, were restored, by the Treaty of Ryswick, to the French, and not to the Company.

6. By the Treaty of Utrecht, 1714, "the Bay and Straits of Hudson, together with "all lands, seas, sea coasts, rivers, and places situate in the *Bay and Straits*, and which "belong thereto," were finally ceded to Great Britain.

7. As no definite boundary was ever established between the possessions of the French in the interior and the English at Hudson's Bay, down to the Treaty of Paris, 1763, when the whole of Canada was ceded to Great Britain, the extent of the actual possession by the two nations for some period, say from the Treaty of Utrecht to the Treaty of Paris, affords the only rational and true basis for ascertaining that boundary.

8. The evidence is abundant and conclusive to prove that the French traded over, and possessed the whole of the country known as the Winnipeg Basin and "Fertile Belt," from its discovery by Europeans down to the Treaty of Paris, and that the Hudson's Bay Company neither traded, nor established posts to the south or west of Lake Winnipeg, until many years after the cession of Canada to England.

9. No other or subsequent grant to the Company was ever made which could possibly extend their territorial rights under their Charter. The licence to trade in the Indian territories, which they obtained in 1821, was revoked in 1858, and has not been renewed.

10. The country which, in view of these facts, must be excluded from the operation of the Charter, includes all the lands fit for cultivation and settlement in that part of British America.

It will be for Earl Granville to consider, whether this Company is entitled to demand any payment whatever, for surrendering to the Crown that which already belongs to it. We confess our utter inability, upon any principle of law, or justice, or public policy, with which we are acquainted, to estimate the amount which ought to be paid under such circumstances. The only basis of computation we can discover, applicable to such a case, is the *cost* of the legal proceedings necessary, if any be necessary, to recover possession. A person has taken possession of a part of your domain under the pretence that it is included in a deed which you gave him for some adjoining property before you purchased the domain. You want to get rid of him, but will be compelled to bring an action. He is artful, stubborn, wealthy and influential. He will be able to worry you with a tedious litigation. How many acres will you allow him to "reserve," and how much will you pay to save yourself the cost and trouble of a law suit? Compromises of this kind are not unknown in private life, and the motives and calculations which govern them may be applicable to the present case. We recommend this mode of computing the amount of the payment to be made for the surrender of the North West territory, as distinguished from Rupert's Land, with all the more confidence, because it has already been suggested by one of the ablest and most trusted of the representatives of the Company. (Vide evidence of Right Honourable E. Ellice, House of Commons Report, 1857, question 5,834).

With respect to Rupert's Land, or the "lands and territories," "upon the coasts and "confines of the seas, bays," &c.' "that lie within the entrance of the straits commonly "called Hudson's Straits," "not possessed by the subjects of any other Christian prince or "state," a different rule, we admit, may be held to apply. Giving to the words of grant the widest construction, territorially, that could possibly be admitted by any judicial body with the facts of the case in evidence before it, or, giving to these words the construction which the Company themselves applied for a hundred years from the date of their Charter, the "rights"

they propose to sell are of little commercial value. No revenue, we feel assured will ever be derived from them. The fur trade is the only industry the country offers as a source of profit, and this, if we rightly understand Sir Stafford Northcote's suggestion, the Company wish to retain.

It has never been alleged, even by the most sanguine advocates of the new theory of the Company respecting land-sales, that any revenue can be derived from that source within the limits which we have assigned to Rupert's Land. The cost of Government there, inconsiderable though it may be, will always exceed any possible revenue. We are thus led to the same conclusion as in the case of the territory claimed, but not owned, by the Company, viz., that what they propose to sell has no pecuniary or commercial value. They are there, however, by at least a show of right. Being there, they obstruct the progress of Imperial and Colonial policy, and put in jeopardy the sovereign rights of the Crown over one-third (and as some think, even a larger portion) of the North American Continent. "What is it worth to have this obstruction *quietly* removed?" This is perhaps, the true question; but the answer, we submit, belongs rather to Her Majesty's Government—which has the power, in the event of resistance, to remove the evil by a summary process—than to those who are little more than spectators of the negotiation.

Earl Granville is aware that several attempts have been made since 1857 to arrive at a definite agreement on the subject of compensation. The suggestions and proposals on each side, together with the actual market value of the Company's stock at different periods, supply data which his Lordship may deem of importance; and we therefore respectfully submit our views as to the conclusions which may be deduced from them.

The first attempt of the Imperial Government to estimate, and express in pounds sterling, the compensation which it would be reasonable to offer to the Company, was made by the Duke of Newcastle in 1864. The greatest sum which, after "very grave consideration," his Grace felt himself able to propose for the surrender of the country west of Lake Winnipeg was £250,000. But the payment was subject to the following conditions:—

1. £150,000 was to be derived from the sale of lands by Government within the territory. The payment was to be made at the rate of 1s. per acre sold, but to be entirely dependent on the government receipts.

2. Payments were to cease whenever they reached £150,000; and absolutely, at the end of fifty years.

3. The Company was to be paid one-fourth of the sum received by Government for export duty on gold or for mining licenses or leases for gold-mining in the territory, for fifty years, or until the aggregate amounted to £100,000.

4. The payment of any part of the £250,000 was contingent on the ability of the Company to place Her Majesty's Government in possession of an "indisputable title" to the territory ceded by them as against the claims of Canada.

The last condition was objected to by the Company on the ground that they could only give such title as they had, which they contended "must be taken for better for worse." The Duke of Newcastle renewed his offer, modifying the last condition into a stipulation that, in case it should be found advisable, the territory eastward of a line passing through Lake Winnipeg and Lake of the Woods, might be ceded or annexed to Canada, in which case nothing would be payable to the Company in respect of *that* territory.

The present value in cash of such an offer, subject to the conditions and contingencies specified, would be very difficult to ascertain. The revenue from export duty on gold and for licenses would probably be *nil*. The revenue from land sales, if the cost of surveys, management, and necessary roads were deducted, would be *nil* also. It is very doubtful whether, if these deductions be made, the revenue from land sales in the provinces of Canada from the cession in 1763 to the present time, would show a surplus.

Sir Stafford Northcote quotes the price of land in Minnesota, and thence infers the value of lands in the Red River, and Saskatchewan districts, which lie from five to ten degrees further north and are still in the possession of the wild Indians of the plain. But we think it will be found that the lands in Minnesota, which sell for "one pound per acre," are either private lands in the neighbourhood of towns, or the property of railway companies, on or near which, millions of dollars have been expended to make them saleable. They are certainly not *public* lands unimproved by public expenditure. Sir Stafford ought to have mentioned at the same time, a fact, which we believe is known to every emigrant who leaves

the British Isles for America, that, in the Western States of the Union, and in the Provinces of Canada, wild lands are now given to settlers as "free grants," and we may add, this policy is more likely to be extended than reversed. To talk of the *value* of public lands as a source of revenue, distant from one to two thousand miles from available markets, and without roads or navigable waters by which to approach them, is to contradict all experience, or to assume that the cost of surveys and management, and of canals, roads, and other improvements for their development and settlement, will be supplied by those who do not own them, for the benefit of those who do.

But in order to arrive at some result that can be expressed in figures, we will assume that the sum ascertained by the Duke of Newcastle to be a sufficient "compensation" would under his proposition, have been paid within 50 years, and at an average rate per annum. We thus give the Company the benefit of all the doubts in the case, and reduce the question to a simple problem in arithmetic: What is the present value of an annuity of £5,000 per annum for fifty years?

That value, we submit, is the highest amount in cash which can be claimed as an equivalent for the offer made to the Company in 1864, by his Grace the Duke of Newcastle.

The next offer of the Imperial Government which mentions a specific sum, is that made by his Grace the Duke of Buckingham and Chandos, on the 1st December last. It differs from the previous offer in several important particulars.

1. It embraces the *whole* of the territory claimed by the Company.
2. It proposes to allow the Company to retain their "posts" and certain allotments of land in their vicinity, with a small reservation in each township as it is surveyed.
3. It proposes to allow the Company one quarter of the receipts from land (free grants being treated as sales at 1s. per acre) and one quarter of the sum received by Government as an export duty for gold and silver.
4. It limits the amount to be received under these heads conjointly, at £1,000,000, sterling.

The other stipulations are unimportant for the purpose of ascertaining the cash equivalent of the proposition.

It is evident that the "unknown quantities" in this equation are as difficult to find as in the first. We know the *total* sum to be paid, and the *proportion* of the receipts from lands and mines applicable for its payment; but we do not know the average annual sum likely to be realised from their sale. The minimum price is fixed at 1s. per acre, and it is doubtful if, under the proposed arrangement, the price would ever be found to exceed that sum. There is one term still to be ascertained—the average *number* of acres per annum, likely to be sold and granted. A crude guess is all that the case admits of. If we take Upper Canada, possessing many advantages for early and rapid settlement of which, unfortunately, the remote territories of the North West are deprived, we find that from its erection into a separate province, down to 1868, about 22 millions of acres had been disposed of by sale and grant, or an average of about 286,000 acres per annum.

Assuming that the same rate of sale, &c., is maintained in the North West Territories (which all the old Hudson Bay authorities who know the country, would pronounce a bold assumption) we have reduced the question to a simple reference to the annuity tables as before, viz., What is the present value of an annuity of £3,575 per annum for 280 years?

We have omitted from the last term the one-fourth of the Government receipts from gold and silver, for two reasons. 1st, It has not been shewn that there are any gold or silver mines in the territory, that will pay for working. 2nd, all the attempts heretofore made to obtain a revenue from such sources, in Canada, have failed, and public opinion has forced the local governments to adopt the policy of what may be called "free mining," or cheap lands for the miners, and abolition of royalties and imposts, except to meet the cost of preserving the peace, and of surveys and necessary supervision.

There is another proposition on the Government side, which bears on the question of "compensation." It results from the agreement between the representatives of the Government of Canada, and Her Majesty's Government in 1865, and containing fewer elements of uncertainty, than propositions which involve questions of Government policy, emigration, land sales, &c., it can be reduced to a cash value with greater exactitude.

Mr. Cardwell describes the agreement, as follows:—"On the fourth point the subject of the North Western Territory, the Canadian ministers desired that that territory should

"be made over to Canada, and undertook to negotiate with the Hudson's Bay Company for the termination of their rights, on condition that the indemnity, if any, should be paid by a loan to be raised by Canada under the Imperial guarantee; with the sanction of the Cabinet, we assented to this proposal—undertaking, that if the negotiation should be successful, we on the part of the Crown, being satisfied that the amount of the indemnity was reasonable, and the security sufficient, would apply to the Imperial Parliament to sanction the agreement, and to guarantee the amount."

The Canadian delegates reported on the subject with a little more detail. "We accordingly proposed to the Imperial Ministers that the whole British territory east of the Rocky Mountains and north of the American or Canadian lines should be made over to Canada, subject to such rights as the Hudson's Bay Company might be able to establish, and that the compensation to that Company (if any, were found to be due) should be met by a loan guaranteed by Great Britain. The Imperial Government consented to this, and a careful investigation of the case satisfies us that the compensation to the Hudson's Bay Company cannot, under any circumstances, be onerous. It is but two years since the present Hudson's Bay Company purchased the entire property of the old Company; they paid £1,500,000 for the entire property and assets, in which were included a large sum of cash on hand, large landed properties in British Columbia and elsewhere, not included in our arrangement, a very large claim against the United States Government under the Oregon treaty; and ships, goods, pelts, and business premises in England and Canada, valued at £1,023,569. The value of the territorial rights of the Company, therefore, in the estimation of the Company itself, will be easily arrived at."

The principle which this agreement between the two Governments recognises as applicable to the case, appears to be,—compensation in money, for the ascertained rights of the Company, after deducting the value of the property retained by them. The words "if any," and "if any were found to be due" import that, in the opinion of both parties, it was possible if not probable, that after making the deductions, no compensation would be "due."

The basis of the calculation which seems to have been made, or agreed upon, is very simple. The old Hudson Bay Company had recently sold all the rights and property of the Company, of every description, for the sum of £1,500,000. An inventory, agreed to by both sellers and purchasers, set down the assets exclusive of "Territorial Rights," as follows:—

1. "The assets (exclusive of Nos. 2 and 3) of the Hudson's Bay Company, recently, and specially valued by competent valuers, at...	£1,023,569
2. "The landed territory" (not valued)	
3. "A cash balance of"	£370,000
	<hr/> £1,393,569

On the face of their own statement, £1,500,000, less the above sum, or £106,431, was the amount which the new purchasers actually paid for the "Landed Territory." Under the agreement of 1865, this seems to be the highest sum which Mr. Cardwell and the representatives of the Canadian Government thought could in any event be demanded by the Company, as indemnity or compensation for the surrender of the rights they "would be able to establish."

We have thus attempted to convert into their equivalents in cash, the two offers made to the Company since 1857 by the Imperial Government, and to ascertain the amount of the indemnity contemplated by Mr. Caldwell, and the Canadian delegates in the arrangements of 1865. To arrive at any result, we have had to assume figures which, according to our experience, the facts of a new country will be more likely to reduce, than to increase. We have also omitted conditions either implied or expressed in the proposals of 1864 and 1868, which we believe would have imposed considerable expense upon the Company.

There is another mode of estimating the amount to be paid, on the principle of compensating for actual loss only, which remains to be considered.

The stock of the Company has for some time been quoted at an average of 13½. The capital is, nominally, £2,000,000, and the shares £20,—the value of the stock, therefore, in cash, assuming that the whole of it could be sold at the market rate, is £1,350,000, or £43,569 less than the value, according to their own estimate, in 1863, of the Company's assets, exclusive of the "landed territory." The money obtained from the public for shares,

beyond the £1,500,000 paid to the old shareholders, will no doubt be amply sufficient to make good any deficiency in the valuation of 1863.

From a consideration of these data we submit, that, if the validity, of the Charter is not now to be questioned; if the territorial extent of the country affected by it is not to be defined; if the claim of Canada to include, within her boundaries, a large portion, if not the whole, of the country occupied by the French at the time of the cession in 1763, is not to be investigated, and finally determined,—if the admitted incapacity and the notorious neglect of the Company to perform the duties of Government (which were part of the consideration for the *rights* conceded by the Charter), are not to be taken as sufficient on public grounds to justify cancellation, and re-entry by the Crown,—then the very highest indemnity which ought to be paid, in cash, for a surrender of the territorial claims of the Company, with the reservations and other privileges offered by His Grace the Duke of Buckingham and Chandos, is the sum indicated by the foregoing computations.

We must, in conclusion, express to Earl Granville, our strong conviction that no *money* offer, which either the Imperial or the Canadian Government would deem reasonable, will be accepted by the Company, and that, to delay the organization of constitutional Government in the North West Territory until the Hudson's Bay Company consent to reasonable terms of surrender, is to hinder the success of Confederation in British America, and to imperil the interests and authority of the British Crown in the territories now occupied by the Company.

We therefore respectfully submit for Earl Granville's consideration, whether it is not expedient that the Address of the Canadian Parliament be at once acted upon, under the authority of the Imperial Act of 1867.

But, if his Lordship should see any sufficient legal, or other objection, to that course, then we ask, on behalf of the Dominion Government, for the immediate transfer to that Government, of the "North West Territory," or all that part of British North America, from Canada on the East, to British Columbia, Alaska, and the Arctic Ocean, on the West and North, not heretofore validly granted to, and now held by "The Governor and Company of Adventurers of England trading into Hudson's Bay," by virtue of a Charter of King Charles the II., issued about the year 1670.

We have the honor to be,

Sir,

Your obedient Servants,

Sir Frederic Rogers, Bart.,
&c., &c., &c.,
Colonial Office,

(Signed)

GEO. ET. CARTIER.
WM. MACDOUGALL.

Earl Granville to the Right Honorable Sir Stafford Northcote, M.P.

DOWNING STREET, 22nd February, 1869.

SIR,—I am directed by Earl Granville to enclose, for the information of the Directors of the Hudson's Bay Company, the copy of a letter which his Lordship has received from Sir G. Cartier and Mr. McDougall. As the greater part of that letter relates to matters on which the Company and the Colony cannot be expected to agree, and on which Her Majesty's Government has no authority to decide their differences, Lord Granville has felt some doubt whether the settlement of the question would be advanced by forwarding this letter. He considers it, however, necessary to do so; and in doing so, to explain clearly the position which he considers himself to occupy.

It appears that his Lordship's predecessor entertained the hope that he would be able to arrange the terms of a compromise, under which, with consent of both parties, the sovereignty of the Hudson's Bay Company's Territory would be transferred to the Dominion of Canada.

With this view his Grace made to the Company a proposal, respecting which Sir G. Cartier and Mr. McDougall write as follows:—

"The proposals submitted to the Company by the late Government in the letter of Mr. Adderley of the 1st December last, were not made at our suggestion, although we were disposed to think (and so informed his Grace) that if the Company accepted them the

" Canadian Parliament might be persuaded to undertake the duties of legislation and government in the territories on the conditions specified."

Your letter of the 13th inst. may be considered as a rejection of those proposals, and as thus terminating the negotiations instituted by the Duke of Buckingham and Chandos. But in your letter you propose that the matter should be settled by the immediate payment of a fixed sum of money, or by the delivery of Bonds, and you express yourself prepared to enter into further communication with Lord Granville on this subject.

It is of course obvious that this negotiation for the purchase of the Hudson's Bay Company's Territory is really between the seller and the buyer, the Company and the Colony, and Lord Granville is of opinion that if the negotiation is revived on this or any other basis, Her Majesty's Government can, at present, do no good by assuming to frame or suggest terms of accommodation; but can merely offer to act as a channel of communication between these two real parties to the transaction, using its best endeavours to remove any difficulties not inherent in the nature of the case.

Acting on this view, Lord Granville communicated to Sir G. Cartier and Mr. McDougall a copy of your letter of the 13th. The enclosure to this letter is the answer which he has received.

The material sentences, for the present purpose, are those with which the letter concludes.

You will observe that the Representatives of the Colony state the principles on which they consider the cost of the territory should be calculated, indicating the opinion that the sum of £106,431 is the highest which could on any hypothesis properly be demanded by the Company; and express their strong conviction that no money offer, which either the Imperial or Canadian Government would deem reasonable would be accepted by the Company. Assuming this to be the case, they ask on the part of the Dominion Government either the immediate transfer of the sovereignty of the whole Territory, subject to the rights of the Company, or a transfer of the sovereignty and property of all the territory not heretofore validly granted to, and now held by the Company under its Charter.

Under these circumstances, Earl Granville directs me to communicate to you the enclosed letter, which taken in connexion with previous correspondence, appears to him to leave little present hope of bringing matters to a settlement by way of compensation. If the Directors of the Company should still think any such arrangement possible, his Lordship will of course be prepared to transmit to the Canadian representatives any modified proposal on the part of the Company. Failing this, he thinks it proper to invite from the Directors, not any argument respecting the true nature and extent of the Company's claims from which, as not being before a court of law he could anticipate no result, but a statement of any objections they may have, whether of principle or detail to the two counter proposals now made by Sir G. Cartier and Mr. McDougall on behalf of the Canadian Dominion.

And it might not be immaterial to add what course the Company would propose to take, for securing that life and property are adequately protected, and international obligations duly performed in their Territory, so long as they remain responsible for its government.

I am, Sir, your most obedient Servant,

FREDERIC ROGERS.

The Right Honorable Sir Stafford Northcote, M.P.

Sir F. Rogers to Sir G. E. Cartier and Mr. MacDougall.

DOWNING STREET, 9th March, 1869.

GENTLEMEN,—Lord Granville transmitted to the Governor of the Hudson's Bay Company a copy of your letter of 8th February, and I enclose, by his Lordship's direction, a copy of the answer which he has received.

The conclusion to which he has been led, after a careful consideration both of the correspondence which has passed and of the various representations made orally to him by yourselves and by the Governor and Deputy-Governor of the Company, are embodied in the enclosed letter, which he has directed me to address to Sir S. Northcote, and which you will be good enough to consider as conveying to yourselves also the views of Her Majesty's Government. His Lordship is confident that you will give it your earliest attention.

His Lordship desires me to add that, in case the terms suggested in this letter should be accepted by the parties concerned, Her Majesty's Government would be prepared to fulfil the expectations held out in Mr. Cardwell's despatch of 17th June, 1865, and to propose to Parliament that the Imperial guarantee should be given to a loan of £300,000, the sum which is proposed to be paid over by Canada to the Company on the transfer of the Company's rights.

As this is a matter in which the Company has no interest, it is not adverted to in my letter to Sir Stafford Northcote.

I am, Gentlemen, your most obedient Servant,

(Signed) FREDERIC ROGERS.

Sir G. E. Cartier, Bart.,
W. MacDougall, Esq.

Sir Stafford H. Northcote to Sir Frederic Rogers, Bart.

HUDSON'S BAY HOUSE, LONDON, *February 26th, 1869.*

SIR,—I have the honor to acknowledge your letter of the 22nd inst., transmitting, by Earl Granville's direction, a copy of a letter addressed to His Lordship by Sir George Cartier and Mr. MacDougall, on the subject of my letter to yourself, dated the 13th ultimo.

The Committee of the Hudson's Bay Company understand from your letter, that it is not Earl Granville's wish that they should enter into a discussion of the communication from the Canadian Delegates, and they therefore refrain from making any comments upon its tone, or criticising and correcting its assertions. If there are any of those assertions to which Earl Granville himself attaches weight, the Committee will gladly, on their being pointed out to them, offer such observations upon them as may appear to be necessary.

As regards the manner in which the Canadian delegates treat the suggestions contained in my letter of the 13th ultimo,—that the Canadian Government should complete the purchase of the Company's territory at once, by the payment of a sum of money or by the delivery of bonds,—the Committee desire me to observe that they might have had some difficulty in gathering, from the terms in which the delegates express themselves, whether they were or were not prepared to entertain that suggestion, and to open a negotiation with this Company. But as Earl Granville, who has had personal communication with the delegates, is of opinion that their letter, taken in connection with previous correspondence, leaves little present hope of bringing matters to a settlement by way of compensation, the Committee are forced to adopt the conclusion that it is intended as a virtual refusal on the part of the delegates to entertain the question in a serious spirit.

Should Earl Granville at any time come to the conclusion that it is desirable that the Committee should renew the offer of fully communicating with him on the subject of a money sale which they made in my letter of January 13th, they will hold themselves prepared to do so. For the present, and in accordance with what they gather to be his Lordship's views, they consider this matter at an end.

It becomes my duty, then, to answer Earl Granville's questions, (1) Whether the Committee have any objections, either of principle or of detail, to make to the "counter-proposals" of Sir G. Cartier and Mr. MacDougall, and (2) What course the Company would propose to take for securing that life and property are adequately protected, and international obligations duly performed in their Territory, so long as they remain responsible for its Government.

With regard to the first of the two counter-proposals, viz., that the sovereignty of the whole of the Territory in question should be immediately transferred to the Dominion Government "subject to the rights of the Company, the Committee desire to ask whether it is intended that the rights of the Company should be ascertained and defined before the transfer takes place, or after it. If the former be Earl Granville's intention, the Committee have no kind of objection to offer to the proposal; but if it be meant that the transfer should take place first, and that the rights of the Company should then be made the subject of litigation in Canada, with a right of appeal to the Courts of this country, I must remark that such a course is likely to lead to much inconvenience, expense and annoyance to all parties concerned, as well as to prove detrimental to the interests of the Settlement itself by

the prolongation of an irritating and disturbing controversy. As regards the injustice to this Company involved in such a proposal, I beg leave to refer Earl Granville to Sir E. Head's letter of the 25th January, 1868, to the Duke of Buckingham and Chandos, in which a similar proposal is very ably discussed, and to which, and to the extracts from speeches delivered in the Canadian Parliament which it encloses, the Committee desire to invite Earl Granville's particular attention.

The second counter-proposal is, for a transfer to the Dominion Government of both the Sovereignty and the property of "all the Territory not heretofore validly granted to, and "now properly held by the Company under its Charter." Upon this proposal also the Committee desire respectfully to ask whether the limits of the Territory so to be transferred are to be distinctly set out in the instrument of transfer, so that there may be no room for disputes as to the limits of the respective jurisdictions. Even with the utmost care in this respect, the Committee cannot but feel apprehensive that difficulties will arise in dealings with the Indians and with the various classes of hunters and traders frequenting those distant regions, if two different systems of administration are introduced into those portions of the extreme North-Western Territory which would be affected by the proposed transfer; especially as the great distance of that Territory from Canada, and the difficulty of the communications, will render its administration by the Dominion Government very troublesome. Should, however, Her Majesty's Government decide on this measure, the Committee will do all in their power to arrive at a good understanding with the Dominion Government as to the details of the arrangements which should be made in the two portions of the now united territory, and to facilitate the establishment of a strong administrative system in both.

As regards any transfer of the Sovereignty without a distinct definition of the limits to be assigned to it, and by virtue merely of vague general words, the Committee feel that they need not point to Earl Granville that such a step would not only be open to the objections which I have already mentioned in the case of the former counter-proposal, but to the further, and very serious one, that it must lead to constant conflicts of authority and to frequent political embarrassments. The Company can hardly be expected to provide for the security of life and property, and the due performance of international obligations if their boundary is left unsettled, and their title to important parts of their Territory unrecognised. It is probably unnecessary for me to pursue this argument at any length.

I have now to advert to the last question put by Earl Granville,—that relating to the course which the Company would propose to take for the government of their Territory, so long as they remain responsible for it.

The Committee desire me, in the first place, to remind his Lordship that they have no authority to give a pledge on the part of the Shareholders of the Company, and that they can only undertake to submit certain proposals to them, and to use their own influence to secure their adoption. Subject to this reservation, the Committee are prepared to enter at once into communication with Earl Granville, as to the measures which should be adopted for the purpose to which he adverts. As his Lordship is aware, a resolution was agreed to by this Committee, as long ago as in August, 1863, to the effect that in the opinion of the Directors it was expedient that the authority, executive and judicial, over the Red River Settlement and the south-western portion of Rupert's Land, should be vested in officers deriving such authority directly from the Crown, and exercising it in the name of Her Majesty. In adopting this resolution, the Committee intended to indicate their desire for the establishment of a Crown Colony in this portion of their Territory. They still believe that this would be the most satisfactory plan that could be pursued, and they are prepared to discuss it with Her Majesty's Government, if they are encouraged to do so.

I am to state that the Committee would be willing either to advise the surrender of such proportion of the Company's proprietary rights as might be found to be a fair equivalent for the charge which the establishment of a Crown Colony would throw upon the Imperial Exchequer, or to recommend the Company, retaining its proprietary rights, to take upon itself the whole of the pecuniary burden. The Committee are satisfied that a Territory, which in the present undeveloped state of its communications supports a trade of the annual value of more than £400,000, and which possesses a large amount of highly fertile soil requiring no great expenditure for its clearance and cultivation, is perfectly capable of supporting the expense of any government that it may be required to maintain; and they have little doubt that if the state of the case were fairly laid before the Shareholders, and if the moral support of the

Imperial Government were distinctly assured to them, the necessary funds would readily be forthcoming.

Of course, if Her Majesty's Government should be of opinion that the great objects in view could be equally well attained by the exercise of the powers actually possessed by, or which might be granted to, the Company, and should consider that it would be preferable to adopt this method of government rather than to erect the Territory into a Crown Colony, the Committee would at once fall in with such a suggestion, and would request Earl Granville to state to them what establishment would, in the opinion of Her Majesty's Government, be sufficient to meet the necessities of the case.

It can hardly be necessary for me to add that, in the event of such an arrangement being made, the Company would rely upon the cordial co-operation of the Government in submitting any needful measure to Parliament, and in protecting the Settlement from any trespass or interference on the part of Canada.

In conclusion, I am to observe that it is on many accounts important that the Directors of this Company should soon communicate to the Shareholders the progress of this negotiation, and should lay the correspondence before them. They trust that Earl Granville will have no objection to their doing so.

I have, &c.,

STAFFORD H. NORTHCOTE,
Governor.

Sir Frederic Rogers, Bart., Colonial Office.

Earl Granville to Sir Stafford Northcote, Bart., &c.

DOWNING STREET, 9th March, 1869.

SIR,—Earl Granville has had under review the correspondence which has passed respecting the proposed transfer to Canada of the jurisdiction and territorial rights of the Hudson's Bay Company in North America.

It is, in Lord Granville's opinion, of very great importance that this question should be settled on a permanent footing, and with little delay. He does not disguise the interest which Her Majesty's Government have in this settlement. It is not creditable to this country that any inhabited part of Her Majesty's dominions should be without a recognized Government capable of enforcing the law, and responsible to neighbouring countries for the performance of international obligations. The toleration of such a state of things in parts of Hudson's Bay Territory is unjust to the inhabitants of that territory, and is not without danger to the peaceful relations between this country and the United States; and this danger and injustice are likely to increase in proportion as the mining and agricultural capabilities of what is called the "Fertile Belt" begin to attract settlers from the east and south.

To Canada the settlement of the question is not less important, as removing a cause of irritation between it and its neighbours, and even with the mother country itself, as destroying an obstacle to that which has been looked upon as the natural growth of the Dominion, as likely to open an indefinite prospect of employment to Canadian labour and enterprise; and lastly, as enlarging the inducements which Canada is able to offer to the British immigrant. It is no small matter that it would enable Her Majesty's Government at once to annex to the Dominion the whole of British North America proper, except the colony of British Columbia.

To the Hudson's Bay Company it may almost be said to be necessary.

At present the very foundations of the company's title are not undisputed. The boundaries to its territory are open to questions of which it is impossible to ignore the importance. Its legal rights, whatever these may be, are liable to be invaded without law by a mass of Canadian and American settlers, whose occupation of the country on any terms they will be little able to resist; while it can hardly be alleged that either the terms of the charter, or their internal constitution, are such as to qualify them under all these disadvantages for maintaining order and performing the internal and external duties of government.

The prejudicial effect that all those uncertainties must have on the value of the Company's property is but too evident.

The interests of all parties thus evidently pointing towards an immediate and definite adjustment, Lord Granville has been most unwilling to abandon the hope of bringing it about

by way of amicable compromise. He is fully alive to the difficulties of such a compromise. He does not conceal from himself that the estimate which the Company form of the nature and value of their rights is widely different from that which is formed by the gentlemen who represent Canada; nor can he undertake to express any opinion whatever as to the relative correctness of those estimates. Indeed, it would be impossible to do so without knowing to what extent the claims of the Company would be supported by the judgment of a court of law.

But after repeated communications with both parties, his Lordship is convinced that he will be serving the interests of the Dominion, of the Company, and of this country, by laying before the Canadian representatives and the directors of the Company a distinct proposal, which, as it appears to be, it is for the interest of both parties to accept, and in support of which her Majesty's government would be prepared to use all the influence which they could legitimately exercise.

If the proposal is really an impartial one, Lord Granville cannot expect that it will be otherwise than unacceptable to both of the parties concerned. But he is not without hope that both may find, on consideration, that if it does not give them all that they conceive to be their due, it secures to them what is politically or commercially necessary, and places them at once in a position of greater advantage with reference to their peculiar objects than that which they at present occupy.

The terms which his Lordship now proposes are as follows:—

1. The Hudson Bay Company to surrender to Her Majesty all the rights of Government property, &c., in Rupert's Land, which are specified in the 31 and 32 Vic., c. 105, sec. 4; and also all similar rights in any other part of British North America, not comprised in Rupert's Land, Canada or British Columbia.

2. Canada is to pay to the Company £300,000 when Rupert's Land is transferred to the Dominion of Canada.

3. The Company may, within twelve months of the surrender, select a block of land adjoining each of its stations, within the limits specified in Article 1.

4. The size of the blocks is not to exceed—acres in the Red River Territory, nor 3,000 acres beyond that territory, and the aggregate extent of the blocks is not to exceed 50,000 acres.

5. So far as the configuration of the country admits, the blocks are to be in the shape of parallelograms, of which the length is not more than double the breadth.

6. The Hudson's Bay Company may, for fifty years after the surrender, claim in any township or district within the Fertile Belt, in which land is set out for settlement, grants of land not exceeding one-twentieth part of the land so set out. The blocks so granted to be determined by lot, and the Hudson's Bay Company to pay a rateable share of the survey expenses, not exceeding—an acre.

7. For the purpose of the present agreement, the Fertile Belt is to be bounded as follows: On the south by the United States boundary; on the west by the Rocky Mountains; on the north by the northern branch of the Saskatchewan; on the east by Lake Winnipeg, the Lake of the Woods, and the waters connecting them.

8. All titles to land up to the 8th of March, 1869, conferred by the Company, are to be confirmed.

9. The Company is to be at liberty to carry on its trade without hindrance, in its corporate capacity, and no exceptional tax is to be placed on the Company's land, trade, or servants, nor any import duty on goods introduced by them previous to the surrender.

10. Canada is to take over the materials of the Electric Telegraph at cost price, such price including transport, but not including interest for money, and subject to a deduction for ascertained deteriorations.

11. The Company's claim to land under agreement of Messrs. Vankoughnet and Hopkins to be withdrawn.

12. The details of this arrangement, including the filling up the blanks in articles 4 and 6, to be settled at once by mutual agreement.

It is due, both to the representatives of Canada and to the Company, to add—that these terms are not intended by Lord Granville as the basis of further negotiation; but a final effort to effect that amicable accommodation of which he has almost despaired, but which he believes will be for the ultimate interest of all parties.

If this be rejected either on behalf of the Dominion or the Company, his Lordship considers that his next step must be to procure an authoritative decision as to the rights of the Crown and the Company, and with this object, he will recommend Her Majesty to refer their rights for examination to the Judicial Committee of the Privy Council, whose decision will form a basis for any future legislation or executive action which Her Majesty's Government may find necessary.

Whatever may be the result of this proposal, his Lordship desires to express his sense of the openness and courtesy which he has experienced throughout these negotiations, both from the representatives of Canada and from the Governor and Deputy Governor of the Company, and the patience with which they have entertained proposals which, from their point of view, must no doubt have appeared inadequate.

Lord Granville is aware that a proposal of this kind will require consideration; but he hopes that you will lose no time beyond what is necessary in acquainting him with your decision.

I am, sir,

Your most obedient servant,

FREDERIC ROGERS.

Sir Stafford Northcote, Bart., &c.

Copy of Resolutions by the Governor and Committee of the Hudson's Bay Company, passed March 12th, 1869, transmitted to Delegates.

Resolved, that the Committee will recommend the shareholders to accept the proposal of Lord Granville, if the Canadian Ministers will agree to the following modifications:—

1. That Canada will lay no export duty on furs.
2. That the 6th Article be modified so as to allow the Company to defer exercising their right of claiming their proportion of each township for not more than ten years after it is set out.
3. That no charges be made upon the Company for the expenses of survey.
4. That the proportion of land which they are to be allowed to claim be increased from one-twentieth to one-tenth.
5. That York and Moose Factories be retained as ports of entry.
6. That Canada undertakes to pay the £300 a year now paid to the Bishop of Rupert's Land, and other charges of a public character now borne by the Company.
7. That some provision be made for referring to arbitration any question which may arise out of the agreement.

Sir G. E. Cartier and Mr. MacDougall to Sir Stafford Northcote.

WESTMINSTER PALACE HOTEL, LONDON, March 13th, 1869.

SIR,—We have the honor to acknowledge the receipt of a copy of certain resolutions adopted by the Governor and Committee of the Hudson's Bay Company, on the 12th inst., suggesting important modifications of the proposal of Lord Granville, for the transfer of Rupert's Land to Canada.

We beg you will inform the Committee that, in our opinion, the proposal of Lord Granville is much more favorable to the Hudson's Bay Company than any previous proposal of the Imperial Government, and much more onerous to Canada than its Government and people have been led to expect. With great reluctance we have consented to recommend Lord Granville's proposal, if accepted by the Company *pure et simple*, but not otherwise, to the favorable consideration of the Canadian Government. The modifications and additions proposed by the Committee are not, in our judgment, "details" within the purview of the 12th article of Lord Granville's proposal, but substantive and material changes affecting the very basis of the arrangement. We cannot, therefore, assent to them, or undertake to recommend their acceptance by the Canadian Government.

We have further to observe that, in making these demands upon us, the Committee assume that the changes they propose will be accepted, or approved by the Imperial Govern-

ment. If we are correctly advised, the Committee are not warranted to make that assumption. In the letter of Sir Frederic Rogers communicating to us a copy of Lord Granville's proposal, we are assured that it conveys "the views of Her Majesty's Government;" and in the letter conveying these views to the Company it is stated that "these terms are not intended by Lord Granville as the basis of further negotiations." It follows, we think, that Lord Granville's proposal is to be regarded as the *ultimatum* of the Imperial Government, and must be accepted or rejected in its entirety. The Act 31 and 32 Victoria, Chapter 105 (which was not introduced at the instance, or passed in the interest of the Canadian Government), placed the negotiation of the terms of surrender by the Company to the Crown in the hands of Her Majesty's Imperial Government, where, until the Act is repealed, or the negotiation fails, we are of opinion it must remain.

We shall be glad to confer with you upon all questions of "detail," which by the terms of Lord Granville's proposal are left to be adjusted between the Canadian Government and the Hudson's Bay Company.

We have the honor to be, Sir, your very obedient Servants,

(Signed)

GEO. ET. CARTIER.
WM. MACDOUGALL.

Sir Stafford Northcote, M.P.,
&c., &c., &c.

Sir Stafford Northcote to Sir G. E. Cartier and Mr. MacDougall.

HUDSON'S BAY HOUSE, LONDON, March 16th, 1869.

GENTLEMEN,—I have the honor to acknowledge the receipt of your letter of yesterday's date, in reply to my letter to Sir George Cartier, in which I enclosed to you a copy of the resolutions adopted at the meeting of the Committee of the Hudson's Bay Company on the 12th instant.

It is unnecessary for me to enter into the question you raise, as to whether Earl Granville would or would not accept any modifications of the terms set forth in his Lordship's recent communication to this Committee, if they should be agreed to by this Committee on the one hand, and by yourselves on the other. While stating that he regarded these terms as not being intended as the basis of further negotiations, Lord Granville added that he left the details of the arrangement to be settled by mutual consent. The greater part of the resolutions transmitted to you in my letter of the 12th were resolutions intended to lead to a settlement of certain details, in which it will be necessary for the Committee to offer full explanation to the shareholders of the Company, if they decide on submitting Earl Granville's proposals to a general meeting.

If in your opinion any of them go further than this, the Committee will be ready to reconsider them, and to confer with you upon them.

As regards the resolution, by which the Committee proposed that the amount of land to be left to the Company should be one-tenth, instead of one-twentieth, I am to state that the Committee have rescinded that resolution.

They will await a communication from you with regard to the other resolutions before coming to a conclusion as to the course they should adopt.

I am, Gentlemen, your obedient Servant,

(Signed)

STAFFORD H. NORTHCOTE.

Sir Geo. E. Cartier, Bart., and
The Hon. Wm. MacDougall, C.B.

Sir G. E. Cartier and Mr. MacDougall to Sir Stafford Northcote.

WESTMINSTER PALACE HOTEL, March 18th, 1869.

SIR,—We have the honor to acknowledge your letter of the 16th inst., in which you inform us that the Committee of the Hudson's Bay Company has rescinded the Resolution adopted on the 12th inst. asking for *one-tenth* instead of *one-twentieth*, as proposed by Lord

Granville, of the land which may be surveyed for settlement in the North-Western Territory. You further state that if the other resolutions transmitted to us go further than the "details of the arrangement," left by Lord Granville to be "settled by mutual consent," the Committee are ready to reconsider them.

1. With reference to the first resolution, "That Canada will lay no export duty on Furs," we beg you will inform the Committee that it is not the policy or practice of the Canadian Government to resort to "export duties" as a source of revenue. We feel no hesitation in stating our belief that no such duties as the Committee wish to prohibit, will be levied, but it would obviously be improper for us to consent to any arrangement which would fetter the free action of the Canadian Parliament in respect to modifications of the tariff which the future exigencies of the country may render necessary.

2. The proposal to modify the 6th article so as to permit the Company to defer the exercise of the right of claiming their proportion of lands in any township for a period of ten years after survey, might, we think, be agreed to, on condition that they limit their claim to allotment from the lands which may be unsold, at the time they declare their intention to take their proportion in that township.

3. The demand to be relieved from the expenses of survey, which Lord Granville proposed the Company should bear, is not, we think, a "detail" within the meaning of the 12th article. But if it will remove the apprehension that charges under this stipulation may become excessive, we see no objection to a proviso, that the expense to the Company for the survey of the lands allotted to them shall in no case exceed eight cents per acre.

4. We have no doubt that York and Moose Factories will be retained as ports of entry if goods continue to be imported there. But if by the opening of interior communications trade should be diverted to other ports, it would not seem reasonable that the Government should be bound to maintain customs establishments at Hudson's Bay. The practice of the Canadian Government is to establish ports of entry wherever the interests of trade and commerce require them, and we do not, therefore, see that it is necessary or expedient to make any stipulation on the subject.

5. The demand that the salary of the Anglican Bishop of Rupert's Land should hereafter be charged upon the Canadian Treasury, cannot, we think, be regarded as a "detail" within the 12th article of Lord Granville's proposal. The surrender of the rights and powers of government by the Company will necessarily involve the assumption of "all charges of a public character" by the new Government. But an agreement to continue the charges now borne by the Company, *eo nomine*, would so far perpetuate a system, which the transfer of the territory to Canada is intended to supersede.

6. The last proposal of the Committee is open to very serious objection. The surrender of the powers of government, and of territorial jurisdiction by the Company to the Crown, and the transfer of these powers to the Canadian Government, are acts of State, authorized by Imperial Statute, and will have all the force and permanence of fundamental law. The proposal to refer all questions which may arise under this law to some extra-constitutional tribunal is not warranted by the British North America Act, and would, we fear, if adopted, create confusion and embarrassment, and postpone indefinitely the establishment of a satisfactory government in Rupert's Land.

We must decline to admit, even by implication, that the judicial tribunals, and the general and local authorities of the Dominion, will fail to understand, or hesitate to respect and carry out, in good faith, all the terms and conditions of the proposed arrangement.

We have the honor to be, Sir, your obedient Servants,

GEO. ET. CARTIER.
W. MACDOUGALL.

Sir Stafford Northcote, M.P.,
&c., &c., &c.

Sir F. Rogers to Sir G. Cartier and Mr. MacDougall.

"DOWNING-STREET, March 9th, 1869;"

"GENTLEMEN,—Lord Granville transmitted to the Governor of the Hudson's Bay Company a copy of your letter of 8th February and I enclose by his Lordship's direction, a copy

of the answer which he has received. The conclusion to which has been led, after a careful consideration both of the correspondence which has passed and of the various representations made orally to him by yourselves and by the Governor or Deputy Governor of the Company, are embodied in the enclosed letter, which he has addressed to Sir S. Northcote, and which you will be good enough to consider as conveying to yourselves also the views of Her Majesty's Government. His Lordship is confident that you will give it your earnest attention. His Lordship desires me to add that in case the terms suggested in his letter should be accepted by the parties concerned, Her Majesty's Government would be prepared to fulfill the expectation held out in Mr. Cardwell's despatch of the 17th June, 1865, and to propose to Parliament that the Imperial guarantee should be given to a loan of £300,000, the sum which is proposed to be paid over by Canada to the Company on the transfer of the Company's rights. As this is a matter in which the Company has no interest, it is not adverted to in my letter to Sir Stafford Northcote.

(Signed)

"F. ROGERS."

Sir. G. Cartier and Mr. MacDougall to Sir F. Rogers.

"WESTMINSTER PALACE HOTEL, LONDON, 27th March, 1869.

"SIR,—Your letter of the 9th inst., enclosing a copy of proposals made by Lord Granville to the Hudson's Bay Company in your letter to Sir Stafford Northcote of the same date, has not been formally acknowledged by us, in consequence of a doubt not yet removed as to the acceptance of these proposals by the Company. We stated verbally to Lord Granville our objections to his proposals, but finally consented to recommend them to the Canadian Government, on condition that the Company first signified their acceptance of them. Sir Stafford Northcote has since opened communication with us directly, and proposed important modifications of Lord Granville's terms, to which we could not assent. In some points of detail, we agreed that the terms might be varied or qualified, if such variation or qualification would be likely to make the arrangements, as a whole, more acceptable to the shareholders of the Company. We understand Sir Stafford Northcote has acquainted Lord Granville with the correspondence which has passed between us on the subject. The Company having, at the meeting of the 24th inst., postponed for a fortnight the question of accepting Lord Granville's proposals, we regret that we are unable to await their decision. Our public duties require that we should immediately return to Canada. We have now the honor to repeat the request contained in our letter of the 8th February—viz., that immediate action may be taken by the Imperial Government upon the address of the Canadian Parliament of December, 1867, or that pending the negotiations for the transfer of Rupert's Land, the North Western Territory, or all that part of British North America, from Canada on the east, to British Columbia, Alaska and the Arctic Ocean on the west and north, not heretofore validly granted to, and now held by the Governor and Company of Adventurers of England trading into Hudson's Bay, may be immediately transferred to the Dominion of Canada, under the authority of the British North America Act, 1867.

(Signed)

"G. E. CARTIER.

"W. MACDOUGALL."

Sir F. Rogers to the Right Hon. Sir. S. H. Northcote, Bart.

"DOWNING-STREET, April 3rd, 1869.

"I am directed by Earl Granville to enclose for your information a copy of a letter addressed by him to Sir. G. Cartier and Mr. MacDougall, and a letter which he has received from them in reply, in which they intimate their acceptance of the terms proposed to you and them for the surrender of the territorial and other rights of the Hudson's Bay Company in Rupert's Land. I am to add that his Lordship has been informed in conversation by the above gentlemen that they believe the Canadian Government will agree to those terms, and have a confident hope that their Parliament will not reject them, and they added that in

the event of the transfer taking place, the Hudson's Bay Company might rely upon the justice and good will of the Government and the Parliament of Canada.

(Signed)

"F. ROGERS."

MEMORANDUM.

Details of Agreement between the Delegates of the Government of the Dominion, and the Directors of the Hudson's Bay Company.

1. It is understood that in surrendering to Her Majesty all the rights &c., of the Company in any part of British North America not comprised in Rupert's Land, Canada, or British Columbia, the Company are to retain the posts they actually occupy in the North West Territory.

2. It is understood that it will be a sufficient act of Selection under Article III that the Company should, within twelve months, name the number of acres which they will require adjoining each post. The actual survey to be proceeded with, with all convenient speed.

3. It is understood that, in the Red River Settlement, the size of the blocks to be retained round Upper Fort Garry shall not exceed (ten) acres; and that round Lower Fort G^{re}arry shall not exceed (three hundred) acres.

4. It is understood that a list of the Stations round which the Company will require blocks of land, with the size of the blocks they will require, shall be made out forthwith, and communicated to the Canadian Ministers.

5. It is understood that Article V. shall be construed to mean that the blocks shall front the river or road by which means of access are provided, and shall be approximately in the form of parallelograms, of which the frontage shall not be more than half the depth.

6. It is understood that the Company may defer the exercise of their right of claiming their proportion of each Township for not more than ten years after it is set out; but their claim must be limited to an allotment from the lands remaining unsold at the time they declare their intention to make it.

7. It is understood that the blank in Article VI shall be filled up with eight cents (Canadian.)

8. It is understood that any claims of Indians to compensation for lands required for purposes of settlement, shall be disposed of by the Canadian Government in communication with the Imperial Government, and that the Company shall be relieved of all responsibility in respect of them.

STAFFORD H. NORTHCOTE,
G. E. CARTIER,
W. McDUGALL.

March 22, 1869.

The Secretary of State for the Colonies to the Governor General.

Copy, Canada, No. 64.

DOWNING STREET, 10th April, 1869.

SIR,—The Proprietors of the Hudson's Bay Company have considered at a special meeting, the terms on which they have been invited to transfer their territorial rights to the 10th April, 1869. Dominion of Canada, and I enclose the Copy of a letter addressed to me, by Sir Stafford Northcote, from which you will perceive that those terms have been acceded to.

You will observe that the Governor and Committee of the Company are authorized to concur in all such measures as may be found necessary for effecting this transfer, and for securing to the Company all the rights and reservations to which they will be entitled, provided that the acceptance of the terms by the Government and Parliament of Canada is duly signified to them within six months.

I trust that this acceptance may be confidently anticipated, and that by it, an opening will be made for extending the benefits of a regular Government to those British subjects who at present occupy the Company's territory, for settling the tracts of fertile land which

lie in the centre of the continent, and for the consolidation of British North America, under one Central Government.

On one point which has not been hitherto touched upon, I am anxious to express to you the expectations of Her Majesty's Government—They believe that whatever may have been the policy of the Company, and the effect of their Chartered rights upon the progress of settlement, the Indian Tribes who form the existing population of this part of America have profited by the Company's rule.

They have been protected from some of the vices of civilization, they have been taught to some appreciable extent, to respect the laws and rely on the justice of the white man, and they do not appear to have suffered from any causes of extinction beyond those which are inseparable from their habits and their climate. I am sure that your Government will not forget the care which is due to those who must soon be exposed to new dangers, and in the course of settlement be dispossessed of the lands which they are used to enjoy as their own, or be confined within unwontedly narrow limits.

This question had not escaped my notice while framing the proposals which I laid before the Canadian Delegates and the Governor of the Hudson's Bay Company. I did not however then allude to it because I felt the difficulty of insisting on any definite conditions without the possibility of foreseeing the circumstances under which those conditions would be applied, and because it appeared to me wiser and more expedient to rely on the sense of duty and responsibility belonging to the Government and people of such a Country as Canada.

That Government I believe has never sought to evade its obligations to those whose uncertain rights and rude means of living are contracted by the advance of civilized men. I am sure that they will not do so in the present case, but that the old inhabitants of the Country will be treated with such forethought and consideration as may preserve them from the dangers of the approaching change, and satisfy them of the friendly interest which their new Governors feel in their welfare.

With the expression of this hope, I will close my despatch merely repeating my sincere desire that the annexation of the great territory may be speedily accomplished, and may bring to the Dominion all the advantages which the Statesmen of Canada not unreasonably anticipate.

I have, &c.,

Governor the Right Honorable

(Signed)

GRANVILLE.

Sir John Young, Baronet,

G. C. B., &c., &c., &c.

Sir S. Northcote to Sir F. Rogers.

(Copy.)

HUDSON'S BAY HOUSE, LONDON, 10th April, 1869.

SIR,—I have the honor to acquaint you for the information of Earl Granville, that at a meeting of the Hudson's Bay Company held on the 9th inst., the following resolution was adopted by a large majority of the proprietors specially summoned to consider the proposal contained in your letter of the 9th ulto., for the surrender of the Company's territory, &c., to Her Majesty;—

That it is expedient to accede to the terms proposed in the communication above referred to, and to surrender to Her Majesty all this Company's territorial rights in Rupert's Land, and in any other part of British North America not comprised in Rupert's Land, Canada or British Columbia, and that the Governor and Committee be and they are hereby authorized to make such surrender on being assured that the terms have been agreed to by the Government and Parliament of Canada, provided that the acceptance of the terms by the Government and Parliament of Canada, shall have been signified to them by Her Majesty's Secretary of State for the Colonies, within six months after the passing of this resolution, and that for that purpose the Governor and Committee concur in all such measures as may be found necessary for effecting such surrender, and for securing to the Company the rights and reservations to which, by the terms of the letter from Sir Frederic Rogers, the Company will be entitled.

I have, &c.,

(Signed)

STAFFORD H. NORTHCOTE, Governor.

Sir F. Rogers, Baronet.

(Copy.)

MEMORANDUM OF A FURTHER AGREEMENT BETWEEN SIR GEO. ET. CARTIER AND SIR
STAFFORD NORTHCOTE

Inasmuch as the Northern branch of the Saskatchewan River is the Northern boundary of the fertile belt, and therefore any land on the Northern bank is not within the Territory of which the Company are to have one twentieth part, it is understood that in forming the Townships abutting on the Northern bank, the Company shall be at liberty to take their one twentieth of any such Townships, giving up to the Canadian Dominion an equal quantity of the portion of lands coming to them of Townships established on the Southern bank.

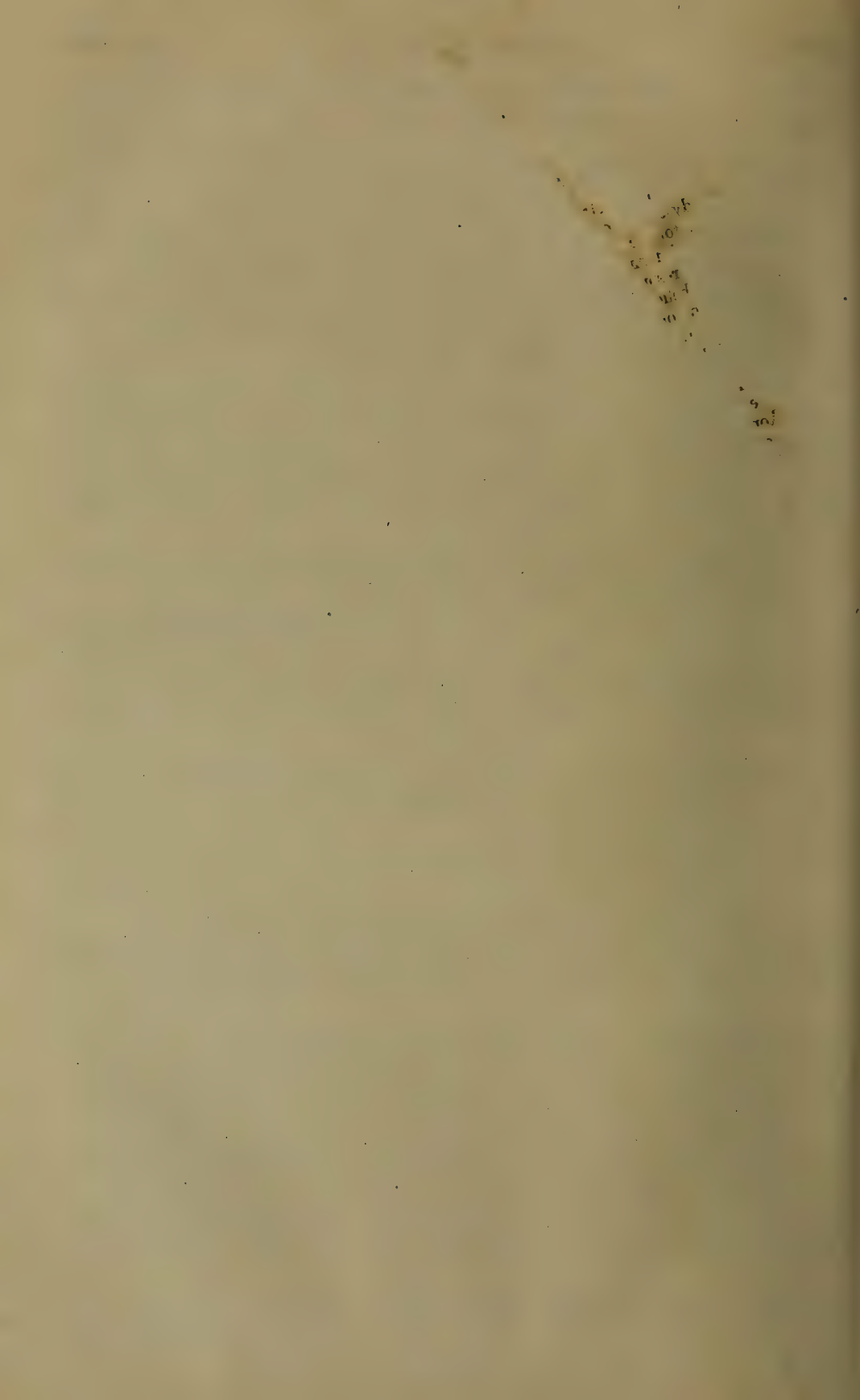
It is understood that the Townships on the Northern bank shall not for the above purpose extend more than five miles inland from the river.

It is understood that in laying out any public roads, canals, &c., through any block of land reserved to the Company, the Canadian Government may take without compensation such land as is necessary for the purpose, not exceeding one twenty-fifth of the total acreage of the block, but if the Canadian Government require any land which is actually under cultivation, or which has been built upon, or which is necessary for giving the Company's servants access to any river or lake, or has a frontage to any river or lake, they shall pay the Company the fair value of the same, and shall make compensation for any injury done to the Company or their servants.

It is understood that the whole of the land to be appropriated within the meaning of the last preceding clause, shall be appropriated for public purposes.

GEO. ET. CARTIER,
STAFFORD H. NORTHCOTE.

LONDON, 29th March, 1869.



RETURN

To an Address of the House of Commons, dated 5th May, 1869; for a copy of the Petition of Mr. *Bonaventure Viger*, praying to be indemnified for certain expenses incurred by him during his exile at the Island of Bermuda, in 1838, and of all correspondence which has passed between the Government and him on that subject.

By Command,

HECTOR L. LANGEVIN,

Secretary of State

DEPARTMENT OF THE SECRETARY OF STATE,
OTTAWA, 7th May, 1869.



[In conformity with the recommendation of the Joint Committee on Printing the above Return is not printed.]

RETURN

To an Address of THE HOUSE OF COMMONS, dated 23rd April, 1869;
For copies of all communications to and from the Government
relative to the Exportation of American Silver, or to the reduction
of its value.

By Command.

HECTOR L. LANGEVIN,

Secretary of State.

DEPARTMENT OF THE SECRETARY OF STATE,

Ottawa, 10th May, 1869.

CORRESPONDENCE REGARDING THE SALE OF SILVER.

- 1. Mr. Rose to Messrs. Baring Brothers & Co., December 31, 1867.
- 2. Messrs. Glyn, Mills, Currie & Co., to Mr. Rose, January 18, 1868.
- 3. Mr. Rose to Messrs. Baring Brothers & Co., February 5, 1868.
- 4. Report to Council and order thereon, February 3, 1868.
- 5. Mr. Rose to Mr. King, February 10, 1868.
- 6. Mr. King to Mr. Rose, February 10, 1868.
- 7. Mr. Rose to Mr. King, February 12, 1868.
- 8. Mr. King to Mr. Rose, February 14, 1868.
- 9. Mr. King to Mr. Rose, March 25, 1868.
- 9½. Telegram from Mr. Rose to Mr. King, March 25, 1868.
- 10. Mr. King to Mr. Rose, March 27, 1868.
- 11. Government account with the Bank of Montreal.

(Copy.) OFFICE OF THE MINISTER OF FINANCE,
Ottawa, Canada, December 31st, 1867.

GENTLEMEN,—The Government of Canada have it in contemplation to become possessed of a portion of the United States silver coin now in circulation here, but before doing so they wish to be informed of the price at which it can be disposed of either in London or elsewhere. It consists chiefly of half-dollars and twenty-five cent pieces, with a few pieces of smaller denomination, and has almost all been coined since 1852.

By reference to the Report of the Director of the United States Mint, you will perceive that the fineness of these coins is represented to be 900 thousandth, and that they weigh in grains:—

	Grains.
The Half-dollar	192
Quarter-dollar (25 cents).....	96
Dime (10 cents).....	38.4
Half-dime (5 cents).....	19.2

The half-dollar and quarter-dollar pieces have probably lost about half a grain each by attrition. I should be greatly obliged if you will, at your early convenience, furnish me with such information touching the rate at which, say one million of dollars could be disposed of in London, and the charges which would attend the operation of converting it into cash, to be available for the general purposes of the Government in England.

I have, &c.,

(Signed,)

JOHN ROSE,
Minister of Finance.

Messrs. Baring, Brothers & Co.,
" Glyn, Mills, Currie & Co.,
London, England.

Per "Russia."

LONDON, January 18, 1868.

To the Hon. John Rose,
Minister of Finance, Ottawa.

SIR,—We have the honor to acknowledge the receipt of your letter of the 31st ultimo, enquiring as to the rate at which one million of dollars of United States silver currency could be disposed of in this market, and we now beg to enclose a *pro forma* account, shewing the result of such an operation. The charge for freight has not been included as we suppose you would have no difficulty in ascertaining that on your side. We are informed that it would be more advantageous to make the shipment to Southampton than to any other British port.

Hoping that this information may be satisfactory to you,

We have the honor to remain, Sir,

Your most obedient servants,

(Signed,) GLYN, MILLS, CURRIE & Co.

Pro forma account sale of American silver coin received from Canada on account of the concerned.

	£ s. d.	£ s. d.
\$500,000 in American halves and quarter dollars, weighing oz. 400,000 at 4.10 $\frac{1}{2}$ per oz.....		97,708 6 8
\$500,000 in American dimes and half-dimes, weighing oz. 400,000 at 4.10 $\frac{1}{2}$ per oz.....		97,500 0 0
		£195,208 6 8
CHARGES.		
Insurance on £200,000 at 5.3 per cent and duty.....	550 0 0	
Freight as arranged		
Brokerage $\frac{1}{2}$ per cent.....	244 0 2	
Commission $\frac{1}{2}$ per cent....	976 0 0	
Bags, portorage, &c.....	20 0 0	
		1,790 0 2
Net proceeds.....		£193,418 6 6

E.E.

LONDON, January, 1868.

The weights of the dollars are as they are taken from the mint.

The actual out-turn in London, would be from 1 to 3 per cent less, according to the time they have been in circulation. The price also might vary slightly according to the state of the silver market.

(Copy.)

FINANCE DEPARTMENT,
Ottawa, 5th February, 1868.Messrs. Glyn, Mills, Currie & Co.,
" Baring Brothers & Co., London.

GENTLEMEN,—I have the honor to acknowledge the receipt of your letter of the 16th January, handing me *pro forma* account sales of the United States silver coin, and I thank you for your kind attention in obtaining me the information conveyed by the enclosure.

I have, &c,

(Signed,)

JOHN ROSE,
Minister of Finance.

(Copy.)

The Minister of Finance has the honor to report that on the present state of exchanges, a portion of the American silver now in Canada, might be bought up for remittance on favourable terms to England.

He submits herewith a statement received from the Financial Agents in England, of the probable return which a shipment of that silver would yield; but he conceives it would be unadvisable owing to the want of proper facilities, for the government itself to attempt the purchase and remittance.

He therefore recommends that he be authorized to make arrangements with the Financial Agents in Canada, to purchase American silver to an amount not exceeding \$600,000 by the issue of 6 per cent bonds in such sums, payable at 20 or 25 years date, as may be thought advisable, which the Government shall have the option of converting into Dominion Stock within seven years date, upon the understanding that the rates shall be such as that the interest to the Government shall not exceed $6\frac{1}{2}$ per cent per annum, over a period of 25 years.

[Signed,]

JOHN ROSE,
Minister of Finance.

Ottawa, February 3, 1868.

COPY of a Report of a Committee of the Honorable the Privy Council, approved by His Excellency the Governor General in Council on the 4th February, 1868.

On a memorandum dated 3rd instant, from the Honorable the Minister of Finance, reporting that on the present state of Exchange, a portion of the American silver now in Canada, might be bought up for remittance on favorable terms to England; and he submits a statement received from the Financial Agents in England, of the probable return which a shipment of that silver would yield; but states that he conceives it would be inadvisable, owing to the want of proper facilities, for the Government itself to attempt the purchase and remittance; he therefore recommends that he be authorised to make arrangements with the Financial Agents in Canada, to purchase American silver to an amount not exceeding \$600,000 by the issue of 6 per cent bonds in such sums, payable at 20 or 25 years from date, as may be thought advisable, which the Government shall have the option of converting into Dominion Stock within seven years' date, upon the understanding that the rates shall be such as that the interest to the Government shall not exceed $6\frac{1}{2}$ per cent per annum, spread over a period of 25 years.

The Committee advise that the authority requested be granted.

Certified.

(Signed,)

WM. H. LEE,
C. P. C.

To the Hon. the Minister of Finance,
&c., &c., &c.

(Copy.)

MONTREAL, 10th February, 1868.

DEAR SIR,—The Government is desirous of exporting a quantity of American silver, if it can be done on sufficiently favorable terms.

I send you herewith copies of a letter from the Financial Agents in London, containing *pro forma* account sales, shewing how much in sterling a million of dollars of different coins would realize in London.

My object in now addressing you is to ask whether the Bank will undertake the management of the transaction, and at what rate of Commission.

I propose to issue 6 per cent Dominion Bonds in currency, at 25 years' date, and to give them in payment for the silver, but not at rates which will cost the Government more than $6\frac{1}{2}$ per cent per annum for the money.

The holder will have the option of converting the Bonds into Dominion Stock.

I should be glad to have your opinion whether the operation can be effected on the terms I speak of, and also of the wisdom of attempting the direct public conversion of the bonds for coin at a fixed rate, or whether success would be more likely to follow the private purchase of the silver, when and as it might be done on the most favorable terms, keeping in mind however the disposal of the bonds as an essential element of the transaction.

I should not wish to go beyond \$500,000, in the meantime, until the actual result could with certainty be ascertained.

Your early reply will oblige,

Yours very truly,

(Signed,)

JOHN ROSE.

E. W. King, Esq., General Manager,
Bank of Montreal, Montreal.

BANK OF MONTREAL,
Montreal, 10th February, 1868.

DEAR SIR,—I have to acknowledge your letter of this date, upon the subject of exporting a quantity of American silver, if it can be done on sufficiently favorable terms.

I have examined the *pro forma* account sales of \$1,000,000 in American silver obtained by the Government from the Financial Agents in London.

As they remark on the postscript an allowance of from one to three per cent for depreciation would have to be made for the time the coin had been in circulation, and the Agents have also been unable to take into their calculations the ocean freight and express charges from Canada to the seaboard. I observe that the intention of the Government is to combine the export of silver with the sale of six per cent Currency Debentures, redeemable in 25 years, provided the interest upon the loan [which it would be practically] did not exceed $6\frac{1}{2}$ per cent per annum.

In reply to your enquiry, I have to say that the Bank will undertake the management of the operation for account of the Government, for a commission of one per cent upon the amount of silver obtained.

I am of opinion that the operation is more likely to be successful within the limit assigned, if the silver is purchased, and the Debentures sold quietly in the market for account of the Government, without any public announcement on the subject.

I fear that if it was known that the Government was in the market buying silver for exportation that the price would immediately be enhanced, and holders would not part with it except at such rates as would render the operation impossible.

If the Government think it would be more judicious to make a public announcement, I would suggest that the Debentures be offered at par in exchange for the silver. In this case the Bank will undertake to manage the operation upon the same Commission; but I am doubtful whether the holders of silver would not very soon find that it was better to sell the silver at the reduced rate of discount which it would reach, than take the risk of loss in converting the Debentures, and in this way the primary object you have in view in exporting the silver might be frustrated. Upon the whole, I think, it will be better to try the experiment in the first instance of buying up the silver to the extent of \$500,000. Whether the Debentures and the silver can be disposed of simultaneously at rates that will keep the operation within the limits assigned by the Government, can only be ascertained upon trial. The Bank is desirous of acting simply as agents for the Government in this matter, and I would suggest that it be an understanding that the Bank will discontinue the operation before

the limit of \$500,000 is reached, if it is found that the average cost to the Government would much exceed the $6\frac{1}{2}$ per cent per annum, to which you are desirous of limiting it.

I am, Dear Sir,

Yours truly,

(Signed,) E. H. KING.

Hon. John Rose,
Minister of Finance, Ottawa.

Upon looking again at the *pro forma* account sales of silver, I observe that the insurance is taken at summer instead of winter rates from New York.

(Copy.)

MONTREAL, 12th February, 1868.

DEAR SIR,—I am this day in receipt of your letter of the 10th instant, on the subject of the export of American silver, and concur in the plan you propose for effecting the object the Government has in view.

The Commission of one per cent I consider a reasonable one for the labour and responsibility involved, and I leave the details of the operation to your discretion, with this one qualification; that as one of the principal objects of the Government is to lessen the public inconvenience from the excessive quantity of silver in the country, I should wish that the purchases be made in as fair proportions as possible from the various parts of Canada.

I shall be glad to hear from you from time to time as the operation progresses, and I will give directions that the Debentures shall be prepared and delivered to you in such sums as you may think most convenient.

Yours truly,

(Signed,) JOHN ROSE.

E. H. King, Esq., General Manager,
Bank of Montreal, Montreal.

BANK OF MONTREAL,

Montreal, 14th February, 1868.

Hon. John Rose, Minister of Finance.

DEAR SIR,—I beg to acknowledge the receipt of your letter of the 12th instant, respecting the purchase and export of American silver, which will receive immediate attention. In order to relieve various districts to some extent of the surplus silver, I have already instructed our leading Branches to commence the purchase, limiting them, however, for the present to four per cent discount, at which, and even at lower prices, I expect the first half million dollars to be obtained.

I am, Dear Sir,

Yours truly,

(Signed,) E. H. KING,
General Manager.

MONTREAL, 25th March, 1868.

MY DEAR SIR,—We have, as you are aware, completed the purchase of \$500,000 silver coin, as authorized, and our Agents throughout the country, are still buying at good rates.

During my recent visit to New York, I disposed of sundry lots of the Government coin on more favorable terms than we expected. But, in order not to overflow that market, we continue our weekly shipments to England. There is a fair inquiry for bonds, and upon the whole I think the operation looks well.

We cannot exactly say what the result will be, but I am under the impression that the operation will be carried through within your limits.

We have so far been much more fortunate in the management than I had any expectation of. It is, however, very necessary that we should know your views as to future operations, and I shall be much obliged if you will inform me by Telegraph, whether we are to stop the machinery which has been put in motion, or go on to the extent of a few hundred thousand more.

Yours faithfully,

(Signed,)

R. B. ANGUS.

Hon. John Rose.

TELEGRAM.

March 25, 1868.

E. H. King, Esq.,

Bank of Montreal, Montreal.

Government approve your continuing silver purchase, four hundred thousand more if you think it can be done within limits.—Please remit fifty thousand sterling to Financial Agents, London. Equal parts, on most favorable terms.—Bonds sent to-day.

(Signed,)

JOHN ROSE.

BANK OF MONTREAL,

Montreal, 27th March, 1868.

Hon. John Rose,

Minister of Finance, Ottawa.

SIR,—I have the honor to acknowledge the receipt of Telegram, informing me that the Government approve of my continuing the silver operation to the extent of an additional Four hundred thousand dollars, if I think it can be done within the limits previously agreed upon. This will depend upon the price that can be obtained for the Government Debentures. I am of opinion that in the course of time the Bonds or Debentures can be disposed of within limits, and I have accordingly instructed our Agents to proceed with the purchase of American silver.

I am in hopes that when we have secured this further amount, the reduction in the amount of silver coin in the country will have a marked effect in reducing the discount. I think it would be well if the Custom House Officers were instructed to take special care to prevent the importation of American silver. The remittance of £50,000 stg., to the English Financial Agents will be made by the Cunard Mail leaving on Monday next.

I have the honor to be, Sir,

Your obedient servant,

(Signed,)

E. H. KING,

General Manager.

(Copy.)

BANK OF MONTREAL,

Montreal, June 29, 1868.

The Hon. Receiver General of Canada, Ottawa.

SIR,—I have the honor to hand you a statement of the silver account to this date, shewing a balance of \$563,443.47 at your credit.

We were in expectation of being able to close the transaction in course of a day or two by sale of the remainder of the Bonds; but, from a despatch received from Mr. Auditor Langton, we learn that the Hon. Minister of Finance directs that the sale be discontinued.

You will see, from the statement herewith, that the instructions given to the Bank have been carried out on terms very favorable to the Government, and had we disposed of the balance of the Bonds at an average rate, equal to that hitherto obtained (and there seemed every probability of our being able to do better), the result of the entire operation would have been to give money to the Government at a rate of interest less than the limit assigned by the Hon. the Minister of Finance.

Although the discount on silver coin does not appear to have been permanently reduced by the export of a million dollars by the Government, I do not doubt that the withdrawal of so large an amount of unproductive stock, and its conversion into Bankable Funds, have been of material service to the business community, at a time when nearly all branches of trade were undergoing severe depression from other causes; and but for this action on the part of the Government the inconvenience arising from the redundancy of silver coin would have been much more seriously felt during the last few months by the banking and commercial public.

You will see from the account that we have, under this date, charged our commission of one per cent on the silver exported, according to arrangement. We have not charged interest on the money advanced for this special operation, as during its pendency your general account had a considerable balance at credit.

I have, &c.,
(Signed,)

R. B. ANGUS.
Pro. General Manager.

THE GOVERNMENT OF THE DOMINION OF CANADA, in Account with the

						\$	cts.	\$	cts.
1868.									
Feb. 24..	To amount purchased at Montreal,	\$66,500	at 5½ per cent	.....				62,842	50
	do do	50,000	... 4½ do	.....				47,937	50
" 25..	do Quebec,	2,500	... 4½ do	.....				2,396	87
	do do	60,600	... 4 do	.....				58,176	00
	do Hamilton,	5,000	... 4½ do	.....				4,781	25
	do Guelph,	360	... 4 do	.....				345	60
	do do	1,640	... 4½ do	.....				1,568	25
	do Montreal,	150,000	... 4 do	.....				144,000	00
March 3..	do Quebec,	7,000	... 4 do	.....				6,720	00
	do Guelph,	1,000	... 4½ do	.....				957	51
	do do	2,000	... 4½ do	.....				1,910	00
" 7..	do do	14,000	... 4½ do	.....				13,370	00
" 9..	do Montreal,	100,000	... 4 do	.....				96,000	00
" 11..	do Guelph,	18,000	... 4½ do	.....				17,190	00
	do Quebec,	5,600	... 4 do	.....				5,376	00
	do Toronto,	11,000	... 4 do	.....				10,560	00
	do do	1,000	... 4½ do	.....				957	50
" 26..	do Guelph,	20,000	... 4½ do	.....				19,100	00
	do Toronto,	8,000	... 4 do	.....				7,680	00
	do Montreal,	30,000	... 4 do	.....				28,800	00
April 2..	do London,	2,000	... 4 do	.....				1,920	00
	do Hamilton,	500	... 4 do	.....				480	00
	do do	200	... 4½ do	.....				191	00
" 4..	do Montreal,	73,000	... 4 do	.....				70,080	00
	do do	30,000	... 4½ do	.....				28,575	00
	do Toronto,	21,000	... 4 do	.....				20,160	00
	do Quebec,	9,300	... 4 do	.....				8,928	00
" 6..	do Hamilton,	1,450	... 4½ do	.....				1,384	75
	do do	9,700	... 4½ do	.....				9,287	75
	do do	2,000	... 4 do	.....				1,920	00
	do Guelph,	2,000	... 4½ do	.....				1,910	00
	do Hamilton,	1,000	... 4½ do	.....				955	00
" 8..	do do	535	... 4 po	.....				513	60
	do Toronto,	18,000	... 4 do	.....				17,280	00
	do London,	600	... 4½ do	.....				573	00
	do do	4,400	... 4 do	.....				4,224	00
	do Hamilton,	400	... 4½ do	.....				382	00
" 9..	do Guelph,	7,000	... 4½ do	.....				6,685	00
" 11..	do Hamilton,	1,000	... 4½ do	.....				957	50
	do do	700	... 4½ do	.....				668	50
" 11..	do London,	11,000	... 4 do	.....				10,560	00
	do Toronto,	11,000	... 4 do	.....				10,560	00
	do Montreal,	50,000	... 3½ do	.....				48,062	50
" 14..	do London,	4,500	... 4 do	.....				4,320	00
" 15..	do Toronto,	28,000	... 4 do	.....				26,880	00
" 20..	do London,	3,000	... 4 do	.....				2,880	00
	do Hamilton,	1,740	... 4 do	.....				1,670	40
" 21..	do Guelph,	4,000	... 4½ do	.....				3,820	00
" 22..	do Montreal,	45,500	... 3½ do	.....				43,793	75
" 23..	do Hamilton,	1,275	... 4½ do	.....				1,220	81
" 24..	do Montreal,	75,000	... 3½ do	.....				72,281	25
	do Hamilton,	500	... 4 do	.....				480	00
" 29..	do Toronto,	12,500	... 4 do	.....				12,000	00
May 6..	do Montreal,	13,000	... 4 do	.....				12,480	00
		\$1,000,000						\$958,750	00
Mar. 10..	To insurance, \$50,000, Liverpool							183	75
" 16..	do freight and charges, do							190	40
	do insurance, \$50,000 to do					188	97		
	do freight and charges					175	00		
								363	97
" 17..	To Express, \$20,000 to New York					50	00		
" 19..	do 20,000 do					50	00		
" 20..	do 10,000 do					25	00		
	do 20,000 do					50	00		
	do 30,000 do					75	00		
	Carried over					250	00	738	12

Bank of Montreal, for Silver Exported from Canada and Bonds sold.

					\$	cts.	\$	cts.
1868.								
Mar.	16.	By shipments to New York, \$20,000 at 5 per cent. from Montreal.....			19,000	00		
	17..	do do do 20,000 ... 5 do			19,000	00		
	18..	do do do 20,000 ... 5 do			19,000	00		
		do do do 10,000 ... 4½ do			9,525	00		
	19..	do do do 30,000 ... 5 do			28,500	00		
	23..	do do do 10,000 ... 4½ do			9,525	00		
		do do do 10,000 ... 5 do			9,500	00		
	25..	do do do 15,000 ... 5 do			14,250	00		
	27..	do do do 10,000 ... 5 do			9,500	00		
April	2..	do do do 10,000 ... 5 do			9,500	00		
	3..	By Bank of Liverpool, 50,000 £9,756 15s. 4d. ex. 9½.....			47,951	33		
GOVERNMENT ACCOUNT BONDS.								
		Nos. 001 to 046 at 99½ Account Brokerage.....			45,540	00		
		do 047 ... 048 ... par Brokerage.....			1,990	00		
		do 049 ... 050 ... 99½ do			1,985	00		
		do 052 ... 054 ... 90½ do			2,970	00		
		do 055 ... — ... 99½ do			992	50		
							53,477	50
"	6..	do 51 to 56 at 65 99½ do			10,890	00		
		do 66 to 75 at 99½ do			9,925	00		
							20,815	00
		By shipments to New York, \$20,000 at 5 per cent. from Toronto.....			19,000	00		
		do do do 40,000 ... 5 do Montreal			38,000	00		
"	11..	do do do 10,000 ... 5 do Guelph.....			9,500	00		
		do do do 10,000 ... 5 do Toronto			9,500	00		
		do do do 1,000 ... 5½ do Hamilton			947	50		
		do do Toronto, 2,000 ... 5½ do			1,895	00		
		do do do 1,000 ... 5 do			950	00		
		do do do 13,000 ... 5½ do			12,317	50		
							15,162	50
"	14..	do do do 20,000 ... 5 do Guelph.....			19,000	00		
		do do do 20,000 ... 5 do Toronto			19,000	00		
GOVERNMENT 6 PER CENT BONDS.								
		No. 76 par less brokerage.....			995	00		
		do 077, 078, 99½.....			1,982	50		
							2,977	50
"	17..	do 079, 080 — 1 — 1,299½.....			3,970	00		
"	22..	By shipments to Liverpool, \$50,000 £9,738 13s. 9d. at 9½.....			47,557	25		
"	27..	do do New York, 5,000 at 5 per cent.....			4,750	00		
		do do do 5,000 ... 5½ do Hamilton.....			4,737	50		
May	1..	do do do 30,000 ... 5½ do London.....			28,425	00		
		Oriental Bank, London, \$100,000, proceeds £19,386 11s. 6d. ex. 10 per c.						
"	5..	By Government 6 per cent Bonds			94,778	81		
		do 083 — 084 at 99½ less brokerage.....			1,985	00		
"	5..	do 085.6.7.8. at 99½			3,970	00		
"	14..	do shipments to New York, \$13,000 at 5 per cent.....			12,350	00		
		do do Liverpool, 100,000, proceeds £19,476 18s. ex. at 10 p.c.			95,220	40		
"	21..	do do do 85,000 do 16,579 7s. 8d. do 9½ p.c.			80,962	66		
GOVERNMENT 6 PER CENT BONDS.								
		No. 001 at 99½ less brokerage.....			496	25		
		do 089 .. 090, 99½ do			1,985	00		
							2,481	25
"	30..	By shipments to Liverpool, \$185,000, proceeds £36,049 6s. 1d. at 9½....			176,040	76		
June	2..	do do do 75,000 do 14,585 14s. 5d. at 9½.....			71,226	93		
		Brokerage refunded by Bank of Liverpool.....			44	43		
GOVERNMENT 6 PER CENT BONDS.								
"	5..	No. 002 at 99½ less brokerage.....			496	25		
"	8..	\$500,000, 98 per cent.....			487,500	00		
		By shipments to New York, \$10,000, 5½ per cent. from Montreal.....			9,450	00		
\$1,000,000								
Carried over.....							\$1,528,217	57

THE GOVERNMENT OF THE DOMINION OF CANADA, in Account with the Bank

			\$	cts.	\$	cts.
1868.		<i>Brought over</i>	250	00	738	12
Mar. 23.	To Express,	\$10,000 New York.....	25	00		
" 27.	do	15,000 do			275	00
	Toronto,	10,000 do			37	50
	do	10,000 do			30	00
		Freight on 100,000 Oriental Bank, London.....			25	00
" 31..		Charges on silver in New York.....			300	00
		Insurance, \$100,000 to Oriental Bank, London.....			14	86
April 1..	Express,	10,000 from Toronto to New York.....	30	00	338	75
	do	10,000 do	30	00		
					60	00
2..	75 kegs shipped to date, at \$1.25		93	75		
	750 bags do 12c.....		90	00		
					183	75
	Express, \$40,000 to New York.....				100	00
" 6..	Cartage on silver in New York.....				11	50
" 8..	Express, \$16,000 from Toronto to New York.....				48	00
	Insurance, \$100,000 to Liverpool.....				416	67
	Express, from Toronto to New York, \$10,000				30	00
" 13..	do do 10,000.....				30	00
	Express from Guelph.....				87	60
	Kegs for Quebec and Guelph.....				44	16
	Freight on \$100,000 to Liverpool.....				300	00
	do 85,000 do		255	00		
	Insurance, 85,600 do		355	70		
					610	70
" 20..	Express from Guelph, \$30,000 to New York.....				129	60
	do Hamilton, 21,000 do				63	00
	do Toronto, 10,000 do				30	00
	Expenses in Liverpool.....				17	54
" 22..	Insurance, \$120,000.....		508	14		
	Freight, 120,000.....		360	00		
					868	14
	Express from Toronto, \$10,000 to New York.....				30	00
" 25..	do Guelph.....				20	00
	do Toronto, 3,000 to Montreal.....				6	30
" 27..	44 kegs shipped from April 2, to date, at \$1.25.....		55	00		
	440 bags do do 12c.....		52	80		
					107	80
" 28..	Express from Guelph, \$15,000.....				64	80
	Expenses in New York, cooerage, &c.....				14	50
	Freight, \$65,000 to Liverpool.....				81	25
" 29..	Express, 5,000 from Hamilton.....				15	00
	Bags and kegs on account from Hamilton.....				16	52
	do do London.....				9	00
	Express from Toronto, \$8,000 to Montreal.....				12	80
" 30..	do London, 3,000 to New York.....				105	00
	Insurance, \$75,000 to Liverpool.....		312	00		
	Freight, 75,000 do		225	00		
					537	00
	Insurance, 65,000 do				238	05
May 5..	Shipping and cartage in New York.....				51	27
	Charges on \$100,000 to Oriental Bank, London.....				147	38
	do 10,000 to Liverpool.....				146	23
" 12..	Express, 13,000 to New York.....				32	50
	Charges, 85,000 to Liverpool.....		113	94		
	do 85,000 do		11	25		
					125	19
	do 100,000 do				22	33
	do 185,000 Rail to London, &c.....				403	08
June 12..	Express, 10,000 to New York.....				25	00
					\$1,539,	197 35
" 29..	1 per cent. Commission on \$1,000,000 silver, exported as per agree-					
	ment with the Government.....				\$10,000	00
	Balance.....				563,443	47
					\$573,443	47

of Montreal, for Silver Exported from Canada and Bonds sold.—*Concluded.*

	Brought over.....	\$ cts.	\$ cts.
			1,528,217 57
Dr.	INTEREST ON BONDS.	Cr.	
1868. Mar. 25.. Int. on Bond sold to 31st.. " 28.. do do ... " " .. do do ... " 30.. do do ...	\$ cts. 0 98 5 92 22 68 0 50	1868. Mar. 27.. Receiver General, ch... .. April 2.. do do " 3.. Interest from 31st March, on Bonds sold..... do do " 9.. do do " 14.. do do " 15.. do do " 22.. Receiver General " 30.. do May 5.. From 31st March..... " 12.. do " 20.. do June 1.. do " 5.. do	2,500 00 1,000 00 4 93 5 42 1 48 4 60 11 18 2,000 00 9 53 23 01 3 53 16 43 5 10 5,424 65
	\$ 30 08	\$ 11,009 86 30 08	10,979 78
			\$1,539,197 35
June 12.. By Balance.....			\$573,443 47
June 29.. By Balance.....			\$563,443 47

RETURN

To an Address of the HOUSE OF COMMONS, dated 3rd May, 1869; For Copies of the Instructions given to Mr. Page, Chief Engineer of the Department of Public Works, in reference to surveying the Ship Channel between Montreal and Quebec, and his Report thereon, together with any other documents referring thereto.

By Command.

HECTOR L. LANGEVIN,

Secretary of State.

DEPARTMENT OF THE SECRETARY OF STATE,
Ottawa, 10th May, 1869.

[In accordance with the recommendation of the Joint Committee on Printing, certain portions of this Return only are printed.]

(No. 46624—Ref. to 65780—Sub. No. 160.)

DEPARTMENT OF PUBLIC WORKS,

Quebec, Sept. 1st, 1863.

SIR,—I have the honor to enclose herewith a Copy of a Minute of the Honorable the Executive Council, dated the 27th ult., in reference to the Works on Lake St. Peter.

The Hon. the Commissioner requests that you will undertake the duty of obtaining the information thus called for, and report thereon as early as circumstances will admit.

The Montreal Harbor Trust has been this day written to on the subject, a copy of which letter, together with all the papers of record in this office on the subject, are herewith enclosed.

(Signed),

I have, &c.,

F. TRUDEAU,

Secretary.

JOHN PAGE, Esq.,
Chief Engineer, Quebec.

Copy of a Report of a Committee of the Honorable the Executive Council, approved by His Excellency the Governor General in Council on the 27th August, 1863.

On a memorandum, dated 27th August, 1863, from the Honorable the Commissioner of Public Works, stating that on the 21st July, 1862, an Order in Council was passed, placing the sum of \$30,000 at the disposal of that Department for the further improvement of Lake St. Peter, to be paid to the Montreal Harbor Commissioners on certain conditions; and that on the 1st May, 1863, a further order was passed, authorizing a full examination of the River St. Lawrence and Lake St. Peter, as well as an investigation into all matters connected with these Works, and the improvements in the Harbor of Montreal within the last twelve years.

That in view of the comparatively small expenditure at present sanctioned, and the probable cost of an examination and enquiry of the extent referred to, he requests authority to limit his instructions on this subject to the Engineer, to the following points, viz.:

“To examine in detail into the manner in which the dredging operations have been, and are now, carried on; to ascertain how the accounts are kept, and the check there is upon

them; where the dredges have been generally employed, and if at places other than the River St. Lawrence or Lake St. Peter; to ascertain how their maintenance and working expenses have been apportioned;" and, if necessary, to make a cursory examination of the Channel between Quebec and Montreal.

He also requests authority to direct the Harbor Commissioners to give to the said Engineer the fullest information on all matters connected with these Works, and free access to all the Books and Accounts kept by the Trust.

The Committee advise that the authority requested by the Commissioner be granted.

Certified.

(Signed)

W. H. LEE,
C. E. C.

The Honorable^d

The COMMISSIONER OF PUBLIC WORKS,
&c., &c., &c.

OTTAWA, 16th May, 1867.

The SECRETARY OF PUBLIC WORKS.

SIR.—I have the honor to acknowledge the receipt of your letter No. 62,792, requesting that my report on matters connected with Lake St. Peter should be completed as soon as the press of other business would permit.

In reply it might be stated that from the length of time ($3\frac{1}{2}$ years) since this subject to any extent engaged my attention, I do not now feel warranted in attempting to report even up to the date at which my investigations closed (December 1863), moreover, even if this could be done, it could scarcely at so remote a period be of much practical utility.

If therefore the Department wishes me to report fully on the subject, it is indispensable that time should be allowed for a re-examination, and otherwise obtaining the necessary information.

It would also be necessary to inform me whether the matter is to be proceeded with under the letter of instructions sent me in 1863, or if any other class of information is now required than called for by that letter.

I have, &c.,

(Signed,)

JOHN PAGE,
Chief Engineer, Public Works.

(No. 62,792—Ref. to 85,656—Sub. No. 160.)

DEPARTMENT OF PUBLIC WORKS,

Ottawa, June 5th, 1867.

SIR.—With reference to your letter of the 16th ult., in relation to the report which you had been requested to make on matters connected with Lake St. Peter, and in which you have pointed out the necessity of a re-examination of the case.

The Commissioner requests that you will be pleased to visit the Works in question, and that while being guided by the instructions given you in 1863, you will at the same time take into consideration all the agreements entered into from time to time between the Government and the Montreal Harbor Commissioners (memorandums of which are herewith enclosed), and to ascertain whether the latter have fulfilled their engagements according to such agreements.

The Harbor Commissioners will be requested to give you access to all books and documents as will help to facilitate your enquiries.

I have, &c.,

(Signed,)

F. BRAUN,
Secretary.

JOHN PAGE, Esq.,

Chief Engineer,

Department Public Works,

Ottawa.

APPENDIX No. 11.

ST. LAWRENCE AND LAKE ST. PETER.

Report on the condition of the Channel between Quebec and Montreal, by John Fage, Chief Engineer.

OTTAWA, 25th January, 1869.

(No. 5938.)

THE SECRETARY OF PUBLIC WORKS.

SIR,—Agreeably to instructions conveyed in your letter No. 46,624, and an Order of the Honorable the Executive Council, (copies prefixed,) I proceeded to Montreal in September, 1863, for the purpose of making the examinations and enquiries called for by these documents.

The Harbor Commissioners having been previously advised of the object of my visit readily entered into any explanations desired, and seemed anxious to court investigation into the business of the Trust.

But verbal statements and explanations being considered unsatisfactory, it was decided to address a series of questions in writing to the Trust, and to several of its principal officers.

This correspondence closed in January, 1864, and a memorandum bearing on the leading points, together with such deductions and remarks as the statement seemed to warrant, was prepared in March following (a copy of which is hereunto attached). Circumstances having prevented these papers being submitted at the time, the conclusions arrived at were subsequently given in several "*ad interim*" reports addressed to the Department relative to payments under the arrangement made with the Harbor Trust for the completion of the Works.

In order to be able to comply with the instructions contained in your letter No. 62,792, it was considered necessary to make a close hydrographic survey of several portions of the river so that both the width, depth, and alignment of the channel might be correctly ascertained.

A party was therefore detailed for this service in August last (1868), and from the result of their surveys, the Admiralty Charts, and plans made of other portions of the river, together with a general examination made by myself, an attempt will be made to place the subject fairly before the Department.

Previous however to entering upon a description of the Channel as it now exists, it is deemed proper to give a brief sketch of the action taken in respect to these improvements from their commencement to the present time.

The great expense for lightering of sea going vessels passing between Quebec and Montreal, drew, at an early period, the attention of merchants and other interested parties to the desirability of rendering the St. Lawrence navigable between these cities, for vessels of greater tonnage capacity.

This project was frequently brought under the notice of the Legislature, but no direct action was taken in regard to it, until after the union of the Provinces, when an appropriation of £65,000 was, (by the Act 4-5 Victoria, Cap. 28) granted "for the improvement of the navigation of the Lake St. Peter;" the expenditure of which sum was intrusted to the then recently incorporated *Board of Works*.

An examination of the river having been made, the principal obstructions to the obtaining of a channel of 14 feet draught of water, (the depth then contemplated) at its lowest stages, was found to exist in Lake St. Peter; the head of which is about 50 miles below Montreal.

Immediately above this point a group of low flat islands divide the river, with numerous channels, which, after being joined by several tributaries, widens out into a Lake about 20 miles long, and fully 6 miles wide. Throughout a large portion of the area of this Lake, the depth was not more than 11 feet at low water, but near its upper and lower ends, two pools were found, the first fully one mile and a quarter in length, with a width of about 800 feet, and the second nearly two and a half miles long, and a quarter of a mile wide; in both of which the water was over 20 feet in depth. These pools formed part of the old ship channel, but were separated by a bank of soft argillaceous deposit, fully eight and a half miles long, and known as the "Flats of Lake St. Peter."

The line adopted by the Board of Works did not however bring into use the upper pool, but starting from a point common to both channels, and opposite the end of a shoal formed by the continuation of Monk Island, passed through the St. Francis bank in a straight direction towards the head of the "lower pool."

This being the most direct route was considered the most advantageous, especially as it was believed that the current would be more likely to keep the cut open, than if the older and more circuitous channel were followed.

The necessary outfit having been obtained, operations were commenced in the year 1844, and continued during the working seasons until they were suspended by order of the Provincial Secretary, on the 8th June, 1846. They were however resumed towards the close of that season, and carried on until the 16th September, 1847, when all the works on the new line were finally stopped.

The expenditure under the Board of Works was as follows :—

Expenses connected with survey.....	£ 1,843	6	8
Cost of Dredges, Steamboats and other Plant	£37,937	6	5
Proceeds of Sale of Steamboats.....	2,771	10	0
		35,165	16 5
Working Expenses to close of 1846.....	£28,512	2	3
Do during 1847.....	6,314	13	1
	£34,826	15	4
Proceeds of sale of coal.....	1,408	15	1
		33,418	0 3
Subsequent payments made to close of 1855.....		1,480	4 6
		£71,907	7 10

Although the practicability of opening a deeper channel than previously existed through Lake St. Peter had thus been fully tested, still many conflicting opinions were entertained in regard to the most advantageous line for the continuance of the improvement. These led to enquiries by the Legislature, and to examination by various competent authorities, still the question remained, in the opinion of many, undecided. This state of uncertainty appears to have deterred the Government from taking further action in the matter ; but the Montreal Board of Trade, and others interested, continued to exert themselves to have the undertaking resumed.

No positive action was however taken until 1850, when the Honorable John Young proposed a scheme by which the object could be accomplished through the Harbor Commissioners of Montreal.

This plan consisted principally in the *Harbor Trust* being authorized to borrow money to carry on the works ; the interest on which, together with a sinking fund of two per cent per annum, was to be raised by a tonnage duty not exceeding one shilling per ton register, on all vessels drawing 10 feet water and upwards, for each time they passed through the lake ; and provided the funds obtained from this source were found insufficient for the purpose, the surplus revenues of the Harbor of Montreal were to be applied to make up the deficiency.

This scheme having been approved of, an Act (13 and 14 Vic. Cap. 97) was passed, transferring the control of the improvement to the Harbor Commissioners, authorizing them to borrow £30,000 for the purpose of proceeding with the Works "in such a manner, direction and place as the Commissioners shall deem best."

On obtaining this authority, the Trust, without delay, appointed a Board of Engineers, consisting of Messrs. McNeil, Childe and Gzowski, to examine fully into the whole matter, and report upon the best means of opening a 16 feet channel at low water between Montreal and Quebec, as well as the cost of the same, when efficiently and permanently secured.

In effecting the improvements under the new management it was of course desirable (if consistent with economy) to take advantage of the previous expenditure in Lake St. Peter, but after a careful examination of the river, these gentlemen, in a comprehensive review of the whole subject, advised the entire abandonment of the straight channel which had been partially excavated.

The principal reason given for this recommendation being, that the expenditure necessary to deepen the old channel (where no work had yet been done) would be very much less than that required to complete the new one to a similar depth. Moreover, that with a view to the future wants of Trade, it would be better to adopt the plan of assisting nature, by joining the two deep-water pools above mentioned, instead of continuing a project, where every additional increase of dimensions would entail a greater future outlay than that necessary to effect a like extent of improvement upon the old route.

These views embodied in an able report, convinced the Commissioners that their efforts should be directed to the deepening of the old channel; and accordingly, having provided an outfit, in addition to that conveyed to them by the Government, operations were commenced in Lake St. Peter, on the 12th June, 1851.

In the same year a dredge was taken from the Harbor of Montreal for the purpose of cutting a channel through a shoal between Lavaltrie and Isle Plate, where the depth of water was nearly the same as on the Flats of Lake St. Peter.

It appears that by means of a harrow and one dredge, the first season's operations resulted in the establishment of a channel through the Lake, of about 75 feet wide and 2 feet greater depth than on the Flats.

In the year 1852 the width of this channel was increased to 150 feet, and pronounced available for vessels drawing 4 feet more water than that found on the highest part of the Flats. The shoal at Isle Plate was further deepened, and the channel there, made 250 feet wide.

At Isle Delorier, a bar was removed to a depth of 16 feet at low water, and a width of 250 feet.

This year the Trust was authorized by the Act 16 Vic. Cap. 24, to raise a further sum of £40,000 for the purpose of continuing the improvements.

At the close of the season of 1853, the channel through the Lake was deepened to 16½ feet, and its width further increased. In the latter end of August in that year a vessel passed from Montreal downwards, drawing 4 feet more water than was on the flats. The success which had thus far attended the exertions of the Trust, induced them to cause an examination to be made for the purpose of determining the practicability of obtaining a channel 20 feet in depth at low water between Montreal and Quebec.

Instructions to that effect were accordingly issued to J. C. Keefer, Esq., Engineer to the Trust, who, in October, 1853, reported that no insuperable obstructions existed to deepening the channel so as to afford the draught above mentioned; but that considerable dredging would have to be done at several places in the river other than Lake St. Peter.

The Harbor Commissioners, Board of Trade, and citizens of Montreal, having decided on the adoption of a deep water navigation throughout, arrangements were at once made for carrying out the scheme. For this purpose an ice survey of Lake St. Peter was made in the winter and spring of 1853-4. This, together with information previously obtained in regard to the different channels, enabled a full report to be subsequently prepared by Mr. Keefer on the whole subject, in which he clearly points out that at several places the pilots did not follow the line of the deepest water, and that the test had shewn that there were numerous obstacles to be removed in order to obtain a greater depth of water. It was also stated that the channel south of the Verchères Island was capable of being improved at a much less cost than that at the north side, and that in other respects it presented superior advantages to the navigation. The south channel below Three Rivers was likewise recommended in preference to the north one.

As a whole this Report confirmed the opinion previously given as to the practicability of accomplishing the object by a comparatively moderate expenditure. The benefits anticipated to trade from this enlargement having been clearly and fully placed before the Government, authority was granted by the Act 18 Vic. Cap. 143, to borrow a further sum of £100,000 for the purpose of carrying it out. This enabled the Commissioners to proceed energetically with the river works, and at the same time warranted their providing accommodation for a larger class of vessels in the Harbor of Montreal. These two improvements, although separate undertakings are mutually dependent on each other for success, it being equally necessary to provide a commodious deep water harbor as to increase the capacity of the channel. It soon became apparent however that instead of being able to form a sinking fund from the Lake tonnage dues, as required by the act, that the amount collected was inadequate to meet

the interest on the money borrowed and the deficiency, which was considerable, had to be made up from the Harbor revenue.

This was found to interfere so much with the Harbor works, that the Trust were induced to press upon the Government, the necessity of the Lake and River improvements being recognized as a provincial undertaking, urging as a reason for this, that the benefits which they conferred were not confined to Montreal, but extended to the whole of the Province lying to the westward of that city.

These views having been repeatedly brought before the Government; after a full discussion of the question, it was decided, in 1860, that the river improvements should henceforth be considered as Public Works.

An arrangement to that effect in writing appears (from the records of this Department) to have been prepared, but never executed, and from the subsequent action of the Government, and correspondence of the Harbor Trust, it is believed that this memorandum gives a correct view of the basis of the understanding arrived at, it is therefore deemed proper to quote it in full.

1st. "That the tonnage dues on vessels passing Lake St. Peter, are to be abolished from and after the 19th May, 1860, and that the Secretary of the Harbor Commissioners do intimate to the Collector of Customs at Montreal, that while he continues to collect such Tolls until further instructions, and pending an order in Council which will shortly be issued, he will inform parties that payment made from and subsequent to the above named date, will be refunded to them."

2nd. "The interest on the amount of Debentures, £170,000 issued for the Lake St. Peter debt, will be provided for by the Government on timely notice being given to the Receiver General by the Secretary of the Harbor Commissioners."

3rd. "The works of deepening the Ship Channel now appertain to the Department of Public Works, and are to be executed under a contract with that Department by the Harbor Commissioners, who shall conduct the operations and oblige themselves to complete the Channel to a depth of 20 feet throughout, to the satisfaction of the Department of Public Works."

4th. "The Provincial Government will furnish the Trust with funds to the extent of £40,000 to complete the works, about £17,000 of this amount will be furnished this year, on timely notice being given by the Secretary of the Harbor Commissioners to the Receiver General, when such may be required, accompanied by a proper certificate of the rate of progress, shewing that that amount has actually been expended on the Works."

5th. "All the Harbor Commissioners Plant, heretofore conveyed to the Government, will be re-conveyed and handed back to the Harbor Trust, by deed to be arranged by the Honorable the Commissioner of Public Works on behalf of the Government."

6th. "The sum of £15,000 paid to the Harbor Trust last year by the Government, on sale to them of the above mentioned plant, does not form any part whatever of the sum of £40,000 which the Government, as above stated, agree to pay to the Commissioners for completing the Lake and River works."

7th. "The Government will redeem the Lake St. Peter Debentures as they fall due."

At this period the improvements had been as far advanced, that in October, 1859, a vessel is stated to have passed from Montreal downwards drawing 18 feet 8 inches water, at a time when there was only a depth of 11 feet 9 inches on the flats of Lake St. Peter.

The same year a survey of the river between Montreal and Quebec was completed by Commander Orlebar, Hydrographer to the Admiralty, who reported, on the 29th February, 1860, to his Excellency the Governor General, the existence of a channel of 18 feet in depth at low water.

But some misunderstanding appears to have subsequently arisen in reference to matters connected with the undertaking, for in April, 1862, the Department of Public Works addressed letters to the Harbor Commissioners to the effect that they were not to proceed with the dredging operations until further notice. The Trust remonstrated against this decision, and at a later period authorized the Hon. John Young to visit Quebec for the purpose of endeavouring to get this order rescinded.

The Government, however, would not consent to allow the works to be resumed until the Trust furnished a copy of the Report and plans of a recent survey of Lake St. Peter, made by the Harbor Engineers. This having been complied with, authority was granted in July following to proceed with the deepening of the channel.

It is proper to state here, that although this action may have been unpleasant to the Trust, it led to no actual delay in the prosecution of the works, as a freshet which occurred in the Richelieu River, in the spring of 1862, so seriously damaged some of the Dredges and other vessels as prevented their efficient use until August of that year.

From the foregoing memorandum it will be seen that the Government is to assume :—

The Debenture debt of.....	£170,000
Give up the lien on Plant of.....	15,000
Advance towards the completion of a channel 20 feet in depth.....	40,000
	<hr/>
	£225,000 or

\$900,000 irrespective of the Plant originally handed over to the Trust.

The Debentures were assumed in 1860, and all the interest after January of that year was paid by the Government.

In the spring of 1864, the Commissioners being desirous of hastening the completion of the 20 feet channel, transferred two dredges from the Harbor of Montreal to Lavaltrie for the purpose of facilitating the operations there.

In 1855 the Harbor Dredges were also employed on the Lake and River improvements as well as the two Lake Dredges, and part of the work at Lavaltrie was let by contract, so that for a portion of this season there were seven dredges employed.

This year the Commissioners were empowered by the Act 29 Vic. Cap. 56 to borrow the sum of £25,000 sterling, to enable them to carry out the agreement entered into with the Government. This money together with interest to be repaid out of the Harbor Revenue.

On the 16th November of the same year, the Harbor Commissioners, accompanied by a number of other gentlemen, proceeded downwards from Sorel with a vessel called the "Ocean" drawing 19 feet 8 inches water when there was a depth of 10 feet 6 inches on the Flats.

The ship "Ocean" was towed by two steamers and passed from Sorel downwards without obstruction until near Light Ship No. 1, where it grounded on a shoal which had been overlooked. The vessel was then lightened and taken into deep water in the pool adjoining, where the cargo removed, was again put on board, and the voyage proceeded with without further interruption.

On the 28th November, 1865, the Hon. John Young sent a telegram to the Secretary of Public Works stating that the "Channel of 20 feet, with eleven feet on the Flats, is completed, will you please authorize Mr. Sippell to accompany the Commissioners on a test trip as before from this (Montreal) to Sorel?"

On the 5th December, 1865, Mr. Sippell reported that on the 1st instant, a spar extending 20 feet below surface water was lashed to the side of the steamer "Lawrence" and that the vessel left Montreal, and passed down through the dredged channel to Sorel without meeting any obstruction, at this time the water stood at 17 feet on the lower mitre-sill at the outlet lock of the Lachine canal.

At a meeting of the Harbor Commissioners in January, 1866, the following resolution was moved by the Chairman and adopted by the Board.

"That in consequence of the completion of the Works for improving the navigation of the River between Montreal and Quebec, and after careful consideration of the policy which should be pursued for the further improvement of the Harbor, it is deemed advisable to sell by public auction or otherwise the following vessels, &c."

Then follows a list, with upset prices fixed upon each item, and suggestions as to what should be retained for the Harbor Works, &c.,

In February following, public notice was given by the Trust that certain vessels, dredges, &c., &c., were for sale.

Some of the vessels were subsequently sold at prices exceeding the valuation placed upon them, and other portions of the Plant were exchanged for a class of machinery considered by the Commissioners as better suited for the Harbor improvements.

In the summer of 1866, the shoal on which the vessel "Ocean" grounded the previous fall, was deepened and a bank removed near the turn at No. 1 Light Ship, which greatly increased the width, and doubtless improved this portion of the channel.

On the deepening of the shoal and bank just alluded to, the Harbor Commissioners appear from subsequent letters to consider that they have carried out in full the arrangement entered into with the Government.

In October last they, however, verbally expressed to me their willingness to do more, if on examination of the width and depth of the Channel, it was found to be of less capacity than that contemplated when the agreement was made.

Statement shewing the sources whence the Harbor Trust obtained funds for the prosecution of the Lake St. Peter and River St. Lawrence improvements.—

Debentures issued under authority of

Act 13 & 14 Vic. Cap. 97.....	£30,000	0	0	
16 Vic. Cap. 24.....	40,000	0	0	
18 Vic. Cap. 143.....	100,000	0	0	
				£170,000 0 0
1852 Received for Tonnage dues.....	1,798	6	6	
1853 " "	2,441	5	6	
1854 " "	2,385	19	6	
1855 " "	1,576	14	6	
1856 " "	3,841	11	6	
1857 " "	3,669	15	0	
1858 " "	4,133	15	6	
1859 " "	4,954	9	3	
1860 " "	(balance)	80	0	6
				24,881 0 0
				£194,881 0 0
			or	\$779,524 00
1859 Advance on Plant (since cancelled).....				60,000 00
1860 " on work done as per agreement.....				32,000 00
1861 " " "				32,000 00
1862 Received from Trinity House and other sources for articles sold.....				5,179 28
1863 Advance on work done as per agreement.....				17,948 89
1864 " " "				12,051 11
1864-65 " " "				59,000 00
1865-66 " " "				7,000 00
				\$1,004,703 28
1851 Plant valued by the Government Engineer at \$40,000 delivered to the Commissioners and subsequently valued by them at				\$36,000 00
				\$1,040,703 28

Statement shewing the expenditure under the Harbor Trust on Lake St. Peter and River St. Lawrence improvements.—

1851 Expended in outfit and dredging operations..	£19,381	14	10
1852 Do do do ...	23,170	14	8
1853 Do do do ...	14,414	12	9
1854 Do do do ...	17,054	1	6
1855 Do do do ...	41,209	17	1
1856 Do do do ...	23,801	13	4
1857 Do do do ...	23,492	4	1
1858 Do do do ...	17,051	9	8
1859 Do do do ...	18,129	4	5
1860 Do do do ...	13,153	16	4

1861	Expended on outfit and dredging operations...	£5,335	11	1	
1862	Do do do ..	11,411	11	1	
1863	Do do do ...	8,871	3	2	
1864	Do do do ...	18,598	9	9	
1865	Do do do ..	22,272	10	5	
1866	Do do do ...	2,734	19	0	
					£280,083 13 2
1851	Paid for interest on Debentures and Loans.....	£	825	2	5
1852	Do do do		1,696	13	8
1853	Do do do		2,824	16	10
1854	Do do do		3,652	13	10
1855	Do do do		5,236	16	10
1856	Do do do		6,659	0	4
1857	Do do do		9,486	16	1
1858	Do do do		10,960	13	10
1859	Do do do		12,482	0	11
1860	Do do do		6,608	13	1
					60,433 7 10
					£340,517 1 0
					Or \$1,362,068.20
1851	Plant supplied by Government.....				36,000.00
					\$1,398,068.20
1866	Steamboats &c. sold by Trust.....	\$22,050.00			
	Dredges and Plant on hand, valued at.....	30,000.00			
		\$52,050.00			
	Less, amount paid by Trust when exchanging Plant.....	1,000.00			
					51,050.00
Total Expenditure.....					\$1,347,018.20
Amount assumed and paid by Government.....					1,040,703.28
Amount expended out of Harbor Revenue.....					\$306,314.92

About two-thirds of the expenditure was connected with the deepening of Lake St Peter, one-quarter of the whole on the works at Lavaltrie, and one-twelfth at other parts of the River where improvements were made.

Having thus given a sketch of the action relative to the improvements, together with such statements regarding the expenditure as are considered necessary to a full understanding of the matter, it is now proposed to describe the present condition of the Channel.

This, it is proper to state, is based upon a close hydrographic survey of—

2 miles of the River at Pointe aux Trembles,

$\frac{3}{4}$ “ “ between Cape St. Michel and Bellegarde Island,

6 “ “ at and below Lavaltrie,

Soundings through the whole of the dredged channel in Lake St. Peter.

The depth of water at these places has reference to a datum line of 17 feet on the lower mitre-sill of the Lock at the Montreal Terminus of the Lachine Canal, and 11 feet on the flats of Lake St. Peter.

A close survey has been made of the river in the vicinity of Cape Charles, and cursory examinations at Cap a la Roche, Cape Leonard, Bécancour &c. &c.,—Soundings reduced to low water ordinary spring tides.

The depth of water given in other reaches of the river, than those above referred to, are taken from the Admiralty Charts published in 1860, on which the datum line is assumed as “ answering to 17 feet at the entrance of the Lachine Canal, and 10 feet 3 inches on the Flats of Lake St. Peter.”

From the foot of the Current St. Mary, at Montreal, to opposite a church about half a mile below, there is a wide expanse of water from 27 to 39 feet in depth, except on a "*poulier*" a little above the church where there is only 19 feet water. Thence to Long Point the channel is fully a quarter of a mile from the north-westerly bank of the river, and varies from 24 to 49 feet in depth; its width is however contracted by a shoal which extends out from the south shore opposite Longueuil.

From Long Point it trends more to the north until near Pointe aux Trembles, where it is nearly in a north-easterly direction, and the water quite close to the shore varies from 23 to 39 feet in depth, except at a point about a quarter of a mile above the upper light house where there is only 21 feet water.

Opposite the Village of Pointe aux Trembles, (10 miles below the foot of the Lachine Canal) a series of small detached shoals or "*pouliers*" occupy a considerable portion of the river bed, extending in an oblique direction from the shoal lying on the north-westerly side of Boucherville Islands to some distance below the village.

The largest of these shoals (including contiguous "*pouliers*") is situated opposite to and below the church, and occupies a space of fully 1200 feet parallel with the stream, and 400 feet in width, the depth of water varying from 16.2 to 19.6 feet, but with an average of 18.8 feet. For about one-fifth of this space the water varies from 20 to 23 feet in depth, but outlying "*pouliers*" and projections will fully make up for the area of deep water.

Between this shoal and the north-westerly bank of the river, there is for a considerable distance a line of water varying from 20 to 25 feet, and 27 feet in depth, but immediately below the village it is obstructed by a number of small detached shoals on which the depth is from 18 to 19.8 feet.

The old channel, and the one for the most part still used, leads off in a south-easterly direction above the head of the large shoal previously referred to, and for a short distance at this place passes in a space of about 200 feet in width, between 19 feet water on one side and 19.7 feet on the other. In this space are two patches, on one of which is 19.3 feet and on the other 19.9 feet water; and about 500 feet up stream there is a patch with 19.7 feet water over it. This line passes to the south of the large shoal.

In October and November, 1865, a new channel was formed which runs towards the south-east at a point about 5-12ths of a mile higher up than the old line, or nearly opposite the upper light house on Pointe aux Trembles. It is of a good width and has generally a depth of from 20.2 to 22 feet, with the exception of three small detached places, on two of which there is 19.7 feet and on the other 19.8 feet water. These patches are so situated that a ship loaded down to a full capacity of a channel 20 feet (below datum) might pass through without touching either of them, whilst another vessel of like draught might touch at one or all of the three places.

This line leads into deep water south of all the other "*pouliers*," and also passes to the south of the large shoal above mentioned.

It will be seen on reference to the chart or plan, made to a large scale from the details of our recent survey, that this channel has a greater available water-way, and is as regards line at least equal to the one generally used.

Both these channels are however liable to the same objections, namely, that of leading ships too far to the South—where an oblique cross current is apt to force them (especially long vessels) on to some small patches lying North of the shoals which extend out from the head of Isle à l'Aigle—and renders it extremely difficult to get properly on to the line of the Range lights which lead through the channel below.

These objections, it is believed, would in a great measure be obviated by removing the Northern half of the large shoal before mentioned, together with deepening a few detached places on that side, and thus form a northern and more direct line leading into the lower part of the channel. This would be less subject to the effects of cross currents, and comparatively free from the difficulties connected with the other lines in this vicinity.

To accomplish this, about 20,000 cubic yards of material, partly consisting of boulders, would have to be removed.

Below Pointe aux Trembles the river is divided, by Isle Ste. Thérèse and Isle à l'Aigle, into three branches; in the centre one of these is the main navigable channel which is well marked out by Range lights placed on Pointe aux Trembles.

A shoal which previously existed near the upper end of this line has been cut away so

as to give a depth of $20\frac{1}{2}$ to 22 feet for the full width of 300 feet. To effect this 30,930 cubic yards, scow measurement, were removed.

Below this point the channel is from 24 to 42 ft. in depth, and winds slightly round Isle Ste. Thérèse, till on the line of the Range lights placed on the easterly side of that Island—where the course suddenly changes from north to north-east. At this place the turn is rendered difficult by a shoal extending out from the south shore, the extreme point of which (marked out by a buoy) it is desirable to have removed. In line of these lights the traverse towards Cap St. Michel is made, with a depth of water varying from 21 to 36 feet, to obtain which several shoals had to be removed.

During the early operations of the Trust, about 68 days' dredging was done in the vicinity of Isle Delorier towards improving the old or north channel.

But all further expenditure on that line was discontinued after the Commissioners concluded to adopt the south or Verchères channel, a decision in many respects beneficial to the navigation, and one which has generally been considered judicious.

From Cap St. Michel (16 miles below the foot of the Lachine canal) to opposite Bellegarde Island the depth of water varies from 20.5 to 33 feet, but the channel at several places is barely of the full width, and at one place a short distance below the upper buoy on the south side there is only 270 feet, between 19.3 feet water on one side and 19.1 feet on the other. There is also a bend in the line which causes some difficulty to be experienced in taking long vessels through this portion of the route. This might be remedied by cutting off a slightly projecting point and the removal of a strip along the south bank where the water ranges from $14\frac{1}{2}$ to $19\frac{1}{2}$ feet. To do this about 2000 cubic yards of dredging would be necessary.

From Bellegarde Island to the line of the Range lights at the traverse above Contrecoeur the depth of water varies from 25 to 50 feet, and the channel for the greater part of this distance is of a good width; but in order to render it safely navigable during the night it will be necessary to remove two "pouliers,"—one above Marie Point, on which there is from 7 to 16 feet water, and another below Plum Island, having a depth of 18 feet over it; and also to erect a light, if not Range lights, on Plum Island.

From Cap St. Michel, or what is called the Verchères channel, there has been 62,440 cubic yards of dredging done, besides considerable quantities of boulder stone and other impediments to navigation removed.

In line of the traverse Range lights above Contrecoeur until opposite the foot of Lavaltrie Island (34 miles below the foot of the Lachine Canal) the depth of water varies from 27 to 20.4 feet and the channel is of the full width.

Immediately at the latter place there is a small patch on the north side of the channel with 18 feet water over it, and at about 1200 feet below the foot of the island two small shoals, on which there is a depth of from 18 to 19 feet, stand out from 50 to 60 feet within the line of the buoys on the south side.

These are on the curve which leads on to the line of the Range lights, and on the side where a projection of that extent beyond the buoys is objectionable.

It is believed, even although the water way is of considerable width, that a better purpose would be served by removing the smallest of these shoals, and cutting off say 30 feet of the inner point of the other, than to mark out their extreme ends by a buoy.

At a few places further down this cut the channel is scarcely of the full width, and towards the lower end there are some patches with only a depth of from 19.4 feet to 19.8 feet over them.

These small shoals are spread over a considerable distance, with from 20.2 to 21 feet water alongside of them, and are in such positions that a ship loaded down to the full practical draught of the channel might be taken through without touching either of them, whilst to other vessels of a like draught not exactly on the same line, but still in the channel, they would be found obstructions.

From Lavaltrie Island downward to where the broad natural channel of the river is entered, there is, with the exceptions above referred to, a depth of from 20.1 to 21 feet below datum.

This cut of itself was a formidable undertaking, there having been removed 548,288 cubic yards of material, or upwards of 800,000 yards as measured on the dumping scows.

From this point downwards the channel trends in a north-easterly direction, until opposite

Hay Island, where it gradually winds round into a course nearly due east, and continues (past Sorel on the south) in this direction until up with the south-east point of Isle de Grace, thence it follows a circuitous course between Boat Island and Stone Island until up with a light house place on the lower end of the latter.

The depth of water for this stretch of the river varies from 25 to 50 feet, except a point above Boat Island where for a short distance there is from 22 to 24 feet water.

From opposite the light on Stone Island until up with the line of the Range lights on Raisin Island, the depth of water varies from 22 to 31 feet.

This Island is situated at the head of Lake St. Peter, and the line of the lights upon it leads through the channel which has been dredged for a distance of 7300 feet across what is called the "Upper Bar" towards the "Upper Pool" where the western, or No. 1 light ship is moored during the season of navigation.

In this portion of the channel there is a depth of from 21 to 20.2 feet, and the width is generally 300 feet. A difference of opinion hitherto existed relative to the best position for a light ship in this vicinity; but the removal, in 1866, of a large portion of a projecting bank on the north side of the channel has made so great a change at this place as to have rendered the arguments in favor of altering the position of this light of less importance than formerly obtained.

Through the "upper pool," for a distance of 6700 feet, the depth of water varies from 20.4 to 26 feet. Thence through the dredged channel to opposite light ship No. 2, a distance of 8600 feet, there is a depth of from 20.2 to 21.2 feet, with a width of fully 300 feet.

From this light to where an angle in the line is marked out by a large white buoy, distance 23000 feet, there is from 20.4 to 21 feet of water, and the channel is of a good width.

This buoy no doubt serves as an excellent guide for day navigation, but it scarcely marks out sufficiently to a person in charge of a ship at night, the point where a change of course is necessary. For this purpose either a floating light or high beacon has been, I believe, judiciously recommended.

Immediately below the iron buoy, next in descending order to the large white one, there is a stretch of from 400 to 500 feet in length, and for two-thirds of the width of the channel, where the depth of water is from 19.2 to 19.9 feet, but in a few places within that area there is a depth of 20.4 feet.

From this shoal to the next buoy are occasional ridges on which the depth is from 19.4 to 19.8 feet.

Thence downwards to the head of the "lower pool" there is from 20.2 to 21.2 feet water; distance from white buoy 14,000 feet. This pool is 13000 feet long in line of channel, and has a depth of from 21 to 26 feet.

The cut across the "lower bar" is about 6000 feet long, with a depth of from 20.2 to 21 feet, except two small patches on which there is from 18.3 to 19.9 feet water.

The lower part of this channel is well marked out by a light on Pointe du Lac, and light ship No. 3; beyond the latter it winds round and continues in a south-easterly course in the natural channel until opposite the eastern outlet of Nicolet river, and in line with the Range lights at Port St. Francis, the water varying from 21 to 30 feet in depth.

In Lake St. Peter, the improved channel is, in the aggregate, about $11\frac{1}{2}$ miles long.

From the reports of the officers who have been at different times in charge of the works, it appears that 6,470,357 cubic yards of material, as measured on the dumping scows, have been removed. This quantity when reduced to measurement in the solid bank may be assumed as equal to about 4,313,572 cubic yards, forming a mass of material equal to the quantity of excavation on about 250 miles of Railway.

In the vicinity of Port St. Francis there are a series of shoals, between which are passages of deep water, and the main channel, although comparatively narrow, has a depth of from 20 to 30 feet. Thence to Cap Madelaine below Three Rivers the wide natural channel varies from 30 to 60 feet in depth.

On the north side of the river, between the place above mentioned and Bigot Island, there are several extensive shoals—between which is a narrow and crooked channel with from 19 to 24 feet water.

This line is well marked out with Range lights, but those in charge of large deep laden vessels generally prefer to make a traverse towards Bécancour Point, on the south side of the river, where the channel is wide and deep although the current is greater.

To render this line available at night it is, however, important that Range lights should be erected on Cap Madelaine, and one or more lights be placed on Bécancour Point; these with leading lights in the vicinity of Champlain Church, it is believed would guide vessels past the shoals to be avoided on this part of the route.

In September, 1863, Capt. Armstrong, the officer in charge of the dredging fleet, together with an experienced Pilot accompanied me along the river and pointed out on the spot several shoals or "pouliers" at and below this place which it would be desirable to have removed. Some of these are not shewn on the Admiralty Charts, but their positions were so well known to these gentlemen by land marks and otherwise that they readily found the respective places.

Opposite the mouth of the Bécancour river are two of these shoals, the southern one (not shewn on the Admiralty charts) is about 120 feet long and 100 feet wide, with from 17 to 18 feet water over it at low water. Alongside, the depth varies from 22 to 24 feet. It is considered important that at least one-third of the upper end of this shoal should be removed to a suitable depth.

On the traverse from Cap Madelaine to Bécancour Point the water is from 28 to 40 feet deep. Thence on the line leading towards Champlain there is from 26 to 40 feet water, except on the "poulier" referred to.

The "Dubord Shoal" near Champlain Church, although in the middle of the channel, presents no serious difficulty to the passage of vessels—there being a wide stretch of deep water on both sides of it.

From the latter place the channel runs an all but easterly course, until opposite the mouth of the Champlain river—where it gradually trends to the north until on line of the Range lights at Batiscan. On this stretch of the river the water varies from 24 to 40 feet in depth. The traverse made on line of the Range lights at Batiscan leads towards Cape Levrard on the south side of the river, in order to avoid the extensive shoals adjacent to Ste. Anne de la Parade. On this line the water varies in depth from 24 to 33 feet, except opposite the ice piers formerly constructed on the shoal—where the depth is 20 feet.

The channel at this place is contracted by the angular point of a shoal on the outer end of which there is only 16 feet of water, and at 150 feet north the depth is 13.5 feet.

A buoy marks out the southern end of this shoal, and the point where a change of course becomes necessary,—still from the line and narrowness of the channel immediately below, considerable difficulty is experienced in taking large deep laden vessels through.

A short distance below this in line of the lights on Grondine, and opposite a small stream called the Levrard, there is a "poulier" from 30 to 40 feet diameter on which there is barely 18 feet at low water.

From this "poulier," (not shewn on the Admiralty Charts) and the point of the shoal above referred to, together with the bearings of the lines above and below, and the contracted width of the channel,—it is barely possible for two large ships to pass each other with safety at this place.

In 1859, the Harbor Trust did considerable work in this vicinity and on the traverse to Batiscan,—having removed about 20,650 cubic yards of material (scow measurement) beside a large quantity of boulder stone,

It is, however, highly important that at least 150 feet of the projecting point of the Ste. Anne shoal should be deepened and that the top of the "poulier" referred to should be taken off,—which would require about 8000 cubic yards of material to be removed.

There is also a little below Cape Levrard and in line of the lights on Grondine a "poulier" of about 60 feet diameter,—on which there is from 17 to 18 feet at extreme low water.

Above Cap à la Roche, in line with the west end of the clergyman's house and a chimney on top of St. John's Church and on line of the Range lights on Grondine,—there is a "poulier" of about 50 feet diameter, on which there is a depth of from 17½ to 18 feet water.

Except at the places above mentioned there is a depth of from 22 to 30 feet on this stretch of the river.

Thence along the line of the lights on Cape Charles to where the course is deflected towards the east by range beacons on the shore,—there is from 22 to 30 feet of water except on a small "poulier" which lies a little south of the line.

Opposite Cape Charles the Grondine shoal extends nearly across the river—leaving only a narrow unnavigable channel near the south shore.

The centre portion of this shoal is about 800 feet wide, between 21·3 feet above it to 30 feet immediately below; for this distance the depth is from 16·3 feet to 19·3 feet at ordinary low water. On the line generally followed by vessels, the depth varies from 17 to 20 feet for a distance of fully 1300 feet.

This bar consists principally of boulder stone mixed with hard clay, and consequently would be difficult and expensive to remove; nevertheless it presents so formidable an obstruction to the passage of large deep laden ships, except during the short period of full tide, that the line of navigation must be considered as incomplete whilst this shoal is allowed to remain in its present state.

Commander Orlebar states that at Cap a la Roche:—

Ordinary neap tides rise 4 feet.

“ “ spring tides 6 “

Current opposite Cape Charles 4 knots an hour.

From the foregoing description of the channel it will be evident that with the exception of a few patches, and small isolated shoals, there is from Montreal to the foot of Lake St. Peter, a depth of fully 20 feet below the assumed datum, and at ordinary tides there is at least that depth between Cap Levrard and Cape Charles.

The contemplated width has been generally maintained in the improved portions of the route, and the alignment is such as would present no serious difficulty to the passage of vessels of the class in use at the time when the arrangements were made.

Being personally acquainted with the manner in which the operations have been conducted since 1863, and having made a rigid enquiry into matters previous to that date, I feel warranted in stating that the Harbor Commissioners have throughout shewn a laudable desire to render the channel available to its fullest capacity at the earliest possible period, and to carry out their terms of agreement with the Government. This view of the matter is fully borne out by the statement of the expenditure incurred on the improvements since January, 1860, which it will be seen amounts to \$329,512·16, or more than double the sum provided for that purpose by the Government.

As already stated, there are however several small shoals to be removed, and certain improvements to have effected in order that the large class of vessels now in use may be enabled to navigate the route without difficulty. These may again be briefly brought under notice in order following:—

1st. That both the old and new channels at Pointe aux Trembles are liable to objections, which a northern line would in a great measure be free from, and that it is therefore advisable the latter should be improved and brought into use.

2nd. That between Cap St. Michel and Bellegarde Island it is desirable that the line should be improved by the removal of a portion of the south bank of the channel, and that it is necessary to deepen the shoal lying on the north side below the southern upper buoys.

3rd. The patches on the south side of the channel below Lavaltrie Island might with advantage be deepened, and such projections removed as are within the side lines at other places. The small shoals lying near the foot of the cut should also be deepened.

4th. The shoal about half a mile below the large white buoy at the angle between light ships Nos. 2 and 3 in Lake St. Peter, should be made of the same depth as other portions of the channel.

From the disposition evinced at all times by the Trust to carry out the improvements in an efficient manner, it is reasonable to conclude that on attention being drawn to the four places above mentioned, measures will be taken as early as possible to have the works referred to satisfactorily completed.

5th. That the point of the shoal opposite Ste. Anne and above Cape Levrard should be deepened so as to increase the width of the water way. The tops of the “pouliers,” absolutely in line of the channel in this vicinity, should also be removed; and the shoal at Cape Charles deepened.

The improvements made in 1859, below Batiscan, having rendered available a channel way 20 feet in depth at and below Cap Levrard at ordinary high water, it is questionable whether any further works in that vicinity can be considered as coming under the agreement entered into by the Harbor Trust in 1860. Nevertheless it is important to the interests of the navigation, that those enumerated should be carried out.

Besides the works above alluded to, improvements at certain other places have been recommended as essential. Such as the removal of shoals and erecting of lights on the Verchères channel, and at Bécancour, &c. &c. These are not, however, understood as forming any part of the agreement entered into by the Harbor Trust.

An attempt having been made in the preceding pages to describe the present condition of the channel, and point out the nature and extent of the improvements still required : it is now proposed to draw attention to the datum line to which the depth of water have been invariably referred by the Harbor Trust.

Under ordinary circumstances this would have been unnecessary, as a datum line is generally merely an assumed (or imaginary) plane to which all heights or depths are referred for purposes of comparison, whereas in this instance it is understood to represent the actual surface of the river when the water is 17 feet on the mitre-sill of the outlet lock at Montreal, and 11 feet on the Flats of Lake St. Peter.

This being the case, it seemed so inseparably connected with the agreement entered into by the Harbor Commissioners, that all the soundings taken (above tide water) on our recent surveys were, as previously stated, referred to this line.

It was however found that it was only at short and rare intervals that this datum represented the surface water line of the river, or the relation between the water at the foot of the Lachine Canal and that in Lake St. Peter ; whilst at other periods during the season of navigation it neither corresponds with the lowest or any other surface water line.

The depth given in the foregoing description of the channel do not therefore shew the *actual depths* of water found at the different places during the progress of the respective surveys, inasmuch as at certain times it was necessary to deduct from the soundings, and at others to add to them.

The following tables shew that the fluctuations of the water levels which take place at Montreal, and Lake St. Peter, have no definite degree of relation to each other, and that it would therefore be incorrect to assume that, with a certain known depth of water on the mitre sill of the Lock in Montreal, it would be possible to arrive at the correct depth on the Flats of Lake St. Peter.—(See Table annexed—page 15½.)

These tables are copies of the daily records kept by the Lock Master (in feet and inches) of the rise and fall of the water at the foot of the Lachine Canal ; and of the daily records kept (in feet and half feet) of the rise and fall of water on the flats of Lake St. Peter. At the latter place the gauge is divided into quarter of a foot, (or three inch spaces) and the register is kept by assuming the nearest half foot as the depth—thus, the record may shew the depth to be from one to three inches different from what it actually is at the time the observation is made.

This was the utmost range of difference observed from the more accurate record kept for a portion of the time during the survey.

By the table for 1867, it will be seen that from the 11th August to the 23rd November, there were only four days when there was 17 feet on the lock mitre sill and 11 feet on the flats, or when the depth corresponded with the datum line ; whilst there were 8 days on which the water was 11 feet on the flats, and from 16·9 and 18·1 on the mitre sill. On four days there was 17 feet on the mitre sill and 10·6 on the flats ; and two days 16·10 on the mitre sill, with 12 feet on the flats.

During 1868, from the 11th August to the 26th November, there were also only four days when there was 17 feet on the mitre sill, and 11 feet on the flats ; whilst there were seven days when there was 17 feet on the mitre sill, and 12 feet on the flats ; and eight days with 17 feet on the mitre sill and 11·6 on the flats ; twenty-six days with from 16·4 to 16·10 on the mitre sill, and 11·6 on the flats, and three days with from 16·8 to 16·9 on the mitre sill and 12·6 on the flats.

It is believed that the above is sufficient to shew that the height of the water at Mont-

real is not a safe guide by which to infer that at Lake St. Peter. Nor indeed could it reasonably be expected, that in this portion of the St. Lawrence where the width and sectional area are so irregular, and into which so many large streams flow, that corresponding fluctuations would take place at points so far apart and so differently situated.

At the commencement of the surveys, gauges were established at the respective places, corresponding as nearly as possible to the datum adopted by the Harbor Trust, and the sounding were in all cases corrected by the observations made on these gauges.

It will therefore be evident from the water-tables and the above statements that in order to represent the depth of water which there would be in the channel, when the surface corresponded to the datum line of the Harbor Trust, it was necessary in some cases to *add* to the soundings *actually found*, whilst at other times deductions from them had to be made.

With a view to this matter being clearly understood, these deductions and especially the additions will be referred to in order following :—

At Pointe aux Trembles.

There were seven days when from *half an inch* to *two inches and a half* had to be deducted from the soundings, the surface of the river being then *above datum*. The greatest deduction ($2\frac{1}{2}$ inches) was on the 21st September at a time when there was 17.2 on the mitre sill of the lock, and 12 feet on the flats of Lake St. Peter.

From the 28th August to the 9th September inclusive, there were thirteen days on which additions had to be made of from *one* to *four* inches, the water surface being then *below datum*. The greatest addition (4 inches) was made on the 29th August, at a time when there was 16.8 on the mitre sill of the lock, and 11 feet on the flats of Lake St. Peter.

At this period (29th August, 1868) the actual depth at this place was as follows :—

On the large shoal previously referred, as lying opposite to and below the church at Pointe aux Trembles, there was from 15.9 to 19.3 feet, with an average of about 18.5 feet.

At the head of this shoal, the old channel crosses with a width of only 200 feet between 18.7 feet water on one side, and 19.4 feet on the other. In this space are two patches, on one of which was 19 feet, and on the other 19.6 feet water, and about 500 feet up stream on this line a patch had 19.4 feet water over it.

In the channel made in 1865 which leads to the south-ward, nearly opposite the upper Light-house at Pointe aux Trembles, there was found to be from 19.9 feet to 21.7 feet water, with the exception of three small detached places, on two of which there was 19.4 feet on the other 19.5 feet water.

Between Cap St. Michel, and Bellegarde Island.

There were three days when from 5 to 7 inches had to be added to the soundings, the water surface being below datum. This addition of 7 inches was on the 19th October, on which date there was 16.4 on the mitre sill of the lock, and 11.6 on the flats.

In this part of the channel the actual depth was from 20 to 32.5 feet ; and at one place between 18.8 feet on one side, and 18.6 feet on the other, the width is barely 270 feet.

At Lavaltrie.

On the 2nd, 3rd and 4th October, there was from 16.11 to 16.7 of water on the lock mitre sill, with 11.6 on the flats of Lake St. Peter. The water line was then *one* inch over datum (at this place).

Between the 5th and 16th October, there were 10 days on which the water was from *one* to *five* inches below datum.

The greatest addition (5 inches) made to the sounding was on the 12th and 13th October, when the water was 16.8 and 16.6 on the lock mitre sill and 11 feet on the flats.

At the later date there was found 17.6 feet water on a small patch on the north side of the channel, and near the foot of the Island, and on two small shoals within line of the buoys on the south side there was from 18.4 to 18.6 feet water. On the patches previously mentioned as being near the lower end of this line, the depth was from 19 to 19.4 feet, with from 19.8 to 20.6 feet alongside of them.

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These vessels are from 290 to 350 feet long ; nine of them being longer than the chan-

TABLE shewing the Depth of Water on the Lower Mitre Sill of Lock at foot of Lachine Canal, and the depth on the Flats of Lake St. Peter.

Day of Month.	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31
1867.	Ft. in.	Ft. in.	Ft. in.	Ft. in.	Ft. in.	Ft. in.	Ft. in.	Ft. in.	Ft. in.	Ft. in.	Ft. in.	Ft. in.	Ft. in.	Ft. in.	Ft. in.	Ft. in.	Ft. in.	Ft. in.	Ft. in.	Ft. in.	Ft. in.	Ft. in.	Ft. in.	Ft. in.	Ft. in.	Ft. in.	Ft. in.	Ft. in.	Ft. in.	Ft. in.	Ft. in.
August.																															
Lock sill, L. C.											19.2	19	19	19.1	19	19	19.1	18.10	18.10	18.9	18.9	18.8	18.8	18.7	18.6	18.6	18.5	18.5	18.6	18.7	18.8
Gauge, Flats Lake St. Peter											12.6	12.6	12	12.6	12.6	12.6	12.6	12.6	12.6	12.6	12.6	12.6	12.6	12.6	12	12	12	12	12	12	12
September.																															
Lock sill, L. C.	18.6	18.5	18.5	18.4	18.4	18.2	18.3	18.2	18	18.1	18	18	17.10	18	17.11	17.9	17.10	17.10	18	18	18	17.10	17.11	17.9	17.8	17.9	17.9	17.7	17.7	17.8	
Gauge, Flats Lake St. Peter	12.6	12.6	12	12	12	11.6	11.6	11.6	11.6	11.6	11	11.6	11.6	11.6	11.6	11.6	12	12	11.6	11.6	11.6	11.6	11	11.6	11.6	11.6	11.6	11.6	11.6	11.6	11.6
October.																															
Lock sill, L. C.	17.7	17.6	17.7	17.6	17.6	17.7	17.7	17.7	17.6	17.6	17.8	17.8	17.10	17.8	17.8	17.9	17.8	17.8	17.8	17.7	17.7	17.7	17.8	17.6	17.5	17.5	17.5	17.4	17.4	17.4	
Gauge, Flats, Lake St. Peter	12	11.6	11.6	11	11	11.6	11.6	11.6	11	11	11.6	12	12.6	12	12	12	12	12	12	11.6	11.6	11.6	11.6	11.6	11.6	11.6	11.6	11.6	11.6	11.6	11.6
November.																															
Lock sill, L. C.	17.1	17	17.1	17	17	17.1	17	16.10	16.9	16	16.10	17	17	16.11	16.10	16.10	16.11	16.10	16.10	16.6	16.6	16.5	16.6	16.6	16.6	16.7	16.7	16.6	16.8	16.10	
Gauge, Flats Lake St. Peter	12	11.6	11	11	10.6	10.6	10.6	10.6	11	11	10.6	11	11	12	12	12	11.6	11.6	10.6	10.6	10.6	10.6	10.6	10.6	10.6	10.6	10.6	10.6	10.6	10.6	10.6
1868.																															
May.																															
Lock sill, L. C.	19.1	19.2	19.4	19.7	19.11	20	20.2	20.2	20.2	20.3	20.4	20.4	20.3	20.2	20.4	20.4	20.6	20.8	20.10	21.4	21.8	22.10	23	22.11	22.8	22.4	22.2	22	22	22	21.10
Gauge, Flats Lake St. Peter	14	14	14	14.6	14.6	14.6	15.6	16	16	16	16	16	16	16	16.6	16.6	16.6	16.6	17	17.6	17.6	18	18.6	19	19	18.6	18	18	18	17.6	17.6
June.																															
Lock sill, L. C.	21.10	21.7	21.4	21.2	21.10	20.10	21	20.10	20.9	20.8	20.5	20.4	20.2	20	19.10	19.8	19.6	19.6	19.4	19.4	19.3	19.2	19.2	19.1	19.1	19	19	18.10	18.11	18.8	18.8
Gauge, Flats Lake St. Peter	17.6	17	17	16.6	16.6	16	16	16	15.6	15.6	15.6	15	15	14.6	14.6	14.6	14	14	14	14	14.6	14.6	14.6	14	14	13.6	13.6	13.6	13.6	13.6	13.6
July.																															
Lock sill, L. C.	18.8	18.7	18.7	18.4	18.5	18.5	18.4	18.3	18.3	18.3	18.2	18.1	18	18	18	18	17.10	17.10	17.10	17.9	17.9	17.8	17.8	17.8	17.7	17.7	17.6	17.6	17.7	17.7	17.7
Gauge, Flats Lake St. Peter	13	12.6	12.6	12	12	12.6	13	13	13	13	12.6	12.6	12	12	12	11.6	12	12	12	12.6	12.6	12.6	12.6	12.6	12.6	12.6	12.6	12.6	12.6	12.6	12.6
August.																															
Lock sill, L. C.	17.7	17.7	17.7	17.3	17.7	17.5	17.5	17.4	17.3	17.4	17.4	17.4	17.2	17	17	17.2	17.2	17.1	17	17	17.3	17.3	17.2	17.1	17	17	17	17	16.10	16.8	16.8
Gauge, Flats Lake St. Peter	12	12	12	12	12	12	12	12	11.6	11.6	11.6	11.6	11	11	11	11.6	11.6	11.6	11.6	11.6	12	12	12	12	11.6	11.6	11.6	11.6	11	11	10.6
September.																															
Lock sill, L. C.	16.8	16.9	16.9	16.8	16.9	16.9	16.9	16.10	16.9	16.11	17	17	17	17	17	16.11	17.1	17	17	17	17.2	17	16.11	16.10	16.11	16.11	16.9	16.7	16.9	16.10	16.10
Gauge, Flats Lake St. Peter	11	11	11.6	11.6	11.6	11.6	11.6	11.6	11.6	11.6	11.6	11.6	11.6	11.6	11.6	11.6	11.6	11.6	12	12	12	12	12	12	11.6	11.6	11.6	11.6	11.6	11.6	11.6
October.																															
Lock sill, L. C.	16.11	16.11	16.9	16.7	16.6	16.8	16.8	16.4	16.6	16.7	16.8	16.8	16.6	16.5	16.5	16.5	16.3	16.4	16.4	16.5	16.5	16.7	16.5	16.3	16.1	16.2	16.2	16.1	16.8	16.3	16
Gauge, Flats Lake St. Peter	11.6	11.6	11.6	11.6	11.6	11.6	11.6	11.6	11.6	11	11	11	11	11.6	11.6	11.6	11.6	11.6	11.6	11.6	11	11	11	11	10.6	10.6	10.6	10.6	10.6	10.6	10.6
November.																															
Lock sill, L. C.	16.4	16.10	16.10	16.8	16.9	16.9	16.8	16.7	16.8	16.9	17.7	17.7	17.9	17.10	17.7	17.5	17.3	17.3	17.3	17.3	17.4	17.2	17.1	16.11	16.10	17	17.1	17.1	17.1	17.1	17.1
Gauge, Flats Lake St. Peter	11	11.6	12	12.6	12.6	12.6	12	11.6	11.6	12	12.6	12.6	13	13	13	13	13	13	13	12.6	12.6	12	12	11.6	11.6	12	12	12	12	12	12

From Lavaltrie Island downwards, except on the patches above referred to, there was on the 12th and 13th October from 19·7 to 20·6 feet water in the channel.

The soundings through Lake St. Peter were taken in November when the depth on the flats ranged from 11½ to 13 feet, so that the surface level was from 6 to 24 inches above datum, consequently deduction, to that extent were made.

During this time there was from 16·10 to 17·10 water on the lock mitre sill at Montreal.

It has been considered necessary to submit the above fact, relative to the actual depth of water found in the channel during the surveys, inasmuch as they shew that although there is no definite relation between the water levels at Montreal and Lake St. Peter, still the variation at Montreal have a more direct influence on some intermediate portions of the river.

They further show that at certain times a vessel may find 11 feet water on the flats, whilst on proceeding upwards there may be at several places in the channel a few inches less than 20 feet.

The deepening and enlargement of the channel through the shoals of the river to a capacity suited to the navigation of a much larger class of vessels than in former times could reach the Port of Montreal, has evidently been productive of large benefit to the trade of the Province.

Goods can now be brought 180 miles further into the interior by the vessels in which they are shipped, and the surplus products of the country can be exported directly from the terminus of inland navigation. This has led to a reduction of the rates on ocean borne freights, and no doubt in some degree to the establishment during the open season of the superior line of Atlantic steamers engaged on the route.

These advantages, it is believed, are not confined to any particular locality but are more or less participated in by every branch of business throughout the country. They have been so far appreciated by those directly interested, that the desirability of a still further enlargement of the ship channel has recently been brought under the notice of the Government.

In April, 1868, a number of merchants and shipowners presented a memorial, stating, that the competition in the carrying trade to and from Europe, renders it necessary to employ a larger class of vessels than that contemplated when the improvement of the river was commenced, and praying that the works should be resumed "and continued till a channel of a uniform depth of not less than twenty-four feet, and four hundred feet wide, is obtained throughout the whole distance between Quebec and Montreal." This document was printed as a *Return* to an address of the Senate.

On the 16th November last, Hugh Allan, Esq., one of memorialists, addressed me an able and important letter on this and the matters connected with the river communication. A copy of which, together with a statement of the dimensions, draught of water, tonnage, &c., of the vessels belonging to the "Montreal Ocean Steamship Company," is hereto appended.

From this and other information, it appears that a part of the cargoes of a large number of ships engaged on this route, has, during periods of low water, to be lightened, entailing additional expense on the trade.

It is quite evident that a ship loaded down to the full depth of a channel could not be expected to pass through it with towage power ordinarily applied, inasmuch as her keel would be touching bottom, although she might even then be dragged through by means of powerful tugs. In order however that a vessel may float freely there should be at least from 6 to 9 inches of water under it.

Mr. Allan states in his letter "we have been able to pass our sailing ships this season at about 19 feet, and our steamships at about 17·6 draught of water, and that while a sailing ship can pass through the narrow deepened channel, loaded to within a few inches of the depth of water, a steamship, propelled by her own power and going at full speed, requires to have two feet or more in addition to the water she draws * * * * * We find that if she draws 17 feet with 19 feet in the channel, she will, when going at full speed be grazing the bottom, while if the engine is stopped she is quite afloat."

The draught of eleven of the steamships of the Allan line varies from 18 to 23 feet, when loaded, without coal, so that it appears from the above statements that it would require a channel of 25 feet deep to enable the largest of them to pass.

These vessels are from 290 to 350 feet long; nine of them being longer than the chan-

nel is wide, it is to be feared that in case of a sudden squall, or such accident as would result in one of them being swung across it, serious detention to navigation would ensue.

The probability of such an occurrence taking place, has been urged as one of the reasons why the width of the channel should be increased.

It is obvious that to adopt the scale of navigation prayed for by the memorialists, would be an undertaking of great magnitude, inasmuch as to carry it out in Lake St. Peter alone, would involve the removal of even a larger mass of material than has been excavated there up to the present time; whilst the projected work would of course embrace all those portions of the river where improvements have already been made, together with many others at which no work was necessary for a 20 feet channel.

From the knowledge already possessed of the river, there is reason to believe that a greater depth than at present exists, could be obtained. But before a reliable opinion could be formed as to whether the full depth of 24 feet is practicable, borings would have to be made and various other kinds of information collected.

It is however proper to state that no examinations have been made for this purpose, as the question was not brought under my notice, until near the close of the season when the surveys had to be discontinued.

Nevertheless, it may be stated that in any further enlargement of the channel in Lake St. Peter, a similar class of materials to that previously dredged would in all probability be met with: whilst it is quite likely that the character of the excavation at other places would be at least as difficult as that hitherto removed. Several boulder shoals, and numerous "pouliers" would also have to be deepened, and it is quite possible that at some point solid rock might be encountered.

Still, assuming that the depth shewn on the Admiralty charts give a fair idea of the channel-way at places neither embraced in our surveys or examinations, the following approximates are submitted.

1. For a channel-way 300 feet wide and 2 feet deeper than at present:—

Dredging in Lake St. Peter, say,.....	1,500,000	cubic yards.
do at other places on the river.....	1,250,000	" "
	<u>2,750,000</u>	" "

The probable cost of this would be approximately \$800,000.

2. For a channel 400 feet wide, and 24 feet deep:—

Dredging in Lake St. Peter, say,.....	5,000,000	cub. yds.
do at other places in the river.....	3,500,000	" "
	<u>8,500,000</u>	" "

The probable cost of this work would be approximately \$2,500,000.

These estimates having been made in the absence of correct data, are partly of a conjectural nature, and are submitted merely for the purpose of giving some idea of the extent of the proposed undertaking.

It is however indispensable before giving any decided opinion as to the practicability or otherwise of carrying out the scheme, that close surveys should be made at all those places where the depth is less than 24 feet, and that such information be obtained in regard to the nature of the river bed as would enable the subject to be placed fairly and fully before the Department.

I have the honor to be, Sir,

Your obedient servant,

(Signed,) JOHN PAGE,

Chief Engineer, Public Works.

(Copy)

MEMORANDUM FOR THE INFORMATION OF THE SECRETARY OF
PUBLIC WORKS.

QUEBEC, March, 1864.

In carrying out the instructions contained in the order of the Honorable the Executive Council, enclosed with your letter No. 46,626, it was found that within the past few years the Harbor Commissioners of Montreal had experienced much difficulty from a diversity of opinion among some of their chief officers.

These difficulties having unfortunately acquired a degree of notoriety, which threatened seriously to interfere to the satisfactory prosecution of the works, were officially brought under my notice by the documents which accompanied your letter, and afterwards more prominently by the *Trust*.

But from the conflicting statements and opinions of the different parties and the inconclusive results of verbal inquiries, it was considered proper to address a series of questions to the *Trust*, and to such of its officers as from their position might be expected to supply reliable information.

In following this course an attempt was made to embrace all known leading points on which issues have been raised, and such others as from their nature would be likely to aid in placing the subject fairly before the Department.

It is however proposed to refer to these matters here, only in so far as they bear upon the interests of the Government in the economical execution of the work: without entering upon the minor questions, or mutual recrimination of the officers, which, although a source of much embarrassment to the Commissioners, it is believed their further discussion could lead to no beneficial result.

From the terms of the agreement of Mr. Robert Forsythe, as quoted by himself, it seems that his duties were understood to relate wholly to works connected with the Harbor of Montreal. His attention to the Lake St. Peter and river improvements below the city being confined to occasions when the *Trust* deemed it advisable to call upon him specially for such services. The entire management of the dredging operations in the lake and river having been confided to the Superintendent, Captain C. L. Armstrong.

It however appears that from occasional visits to the latter works, the Harbor Engineer formed an idea that the system of bouying out the channel for dredging was such as did not insure the requisite accuracy of line, and as he conceived that the interests of the *Trust* would have been neglected by his failing to draw attention to these matters, he repeatedly brought them verbally under the notice of the Commissioners, and on the 30th November, 1859, addressed them a letter on the subject.

These representations on the part of Mr. Forsythe, resulted in his obtaining authority to make a survey of Lake St. Peter on the ice, which he had strenuously advocated as the best means of enabling the best line of channel to be marked out, and of avoiding the probability of unnecessary cutting.

This survey was made in the winter and spring of 1862, and the Report upon it submitted in April of that year. From the explanations given in regard to the mode of conducting the survey and taking the soundings, it appears that many precautions were taken to insure accuracy, and render the results such as could be depended upon for future reference.

With this object in view, a minute horizontal projection of the whole ship canal through Lake St. Peter was made, the position of the light houses and permanent buoys laid down, and cross sections of the bottom prepared from which the quantity of cutting done and that remaining to be done, could be estimated.

Upon the plans and sections, the respective lines of the channel, as understood by him, were drawn, and all the material moved outside of a mean width of 300 feet, (except at certain angles or bends,) was calculated as "surplus cutting" or loss in carrying out the works which it was alleged might have been avoided.

These results were adduced as proofs of "mismanagement" in conducting the operations; and it was endeavoured to be shewn that certain changes were necessary to insure greater economy for the future. In regard to the survey itself, there is every reason to believe that the class of information above referred to was accurately obtained, and that it is

of great value; still it appears questionable whether the exact depths of the channel at the summer level of the Lake could have been so correctly arrived at as when the river is clear of ice.

If the same surface inclination, or a like relative level of service and bottom existed at all periods of the year, it would doubtless be safe to accept reduced ice soundings arrived at on the system of correction, which appears to have been adopted. But it has been ascertained by close observation, that the river frequently freezes in those portions which expand into lakes at different relative levels to those which they assume in the open seasons, and that the surface water line is often quite irregular in winter, in parts of the river where it is nearly a horizontal or slightly inclined plane in summer.

It may be said that by comparing a similar number of simultaneous soundings taken through the ice, with others made at the same points during the period of low water, would, (together with lines of levels), enable all intermediate soundings to be correctly reduced.

This, no doubt, would hold good if the relative surface inclination between the test surroundings were the same at both seasons; still even then such checks would involve chances of error which could not be supposed to exist if the whole of the surroundings were taken at the time when the water is known to be at its natural levels.

The corrected chart of the River St. Lawrence, recently published by the Admiralty from a survey made during the open season by Commander Orlebar, differs slightly in the depths of water shewn, from those represented by Mr. Forsythe.

It also appears from the annexed correspondence between these two gentlemen, that the first impressions of the former were against ice surveys, but that he was subsequently satisfied with the explanation of the latter as to the practicability of reducing the soundings to low water level.

There is every reason to believe, that great care was taken to obtain the necessary information for the preparation of the Harbor Engineer's plan, and that for the purpose of fixing the exact lines of the channel, the position of the light ships and buoys, it is no doubt very valuable.

Referring to the "surplus cutting" stated to have been done in carrying out the works, it appears from the accompanying correspondence, that Mr. Forsythe was of the impression that the channel was to be of a *mean depth* of 300 feet, whereas the Commissioners stated that the intention was to make it 300 feet wide at bottom.

It will also be observed that Mr. Forsythe states that he was not aware of authority having been given to make the channel of a greater width than 300 feet at any place, whilst it appears that the Trust instructed the Superintendent to increase the width at many places. It therefore seems that as Mr. Forsythe was not in possession of correct information relative to the width of a channel contemplated by the Trust, the conclusions arrived at by him on this subject can scarcely be accepted.

As regards the alleged "unevenness" of the sides of the channel it may be said, that, in a cut excavated in an open lake and at several miles from shore, exact uniformity of the side lines could scarcely be expected. At a few places there are points which project slightly into the channel, but these it is stated are to be removed as the dredging advances.

In works of this nature, it would be extremely difficult, even if it were possible, to adhere to strict mathematical lines, and it is questionable whether the requirements of navigation demand such accuracy. It is however, nevertheless true, that a better system of making out the channel might have been beneficially introduced.

Comparisons have been made between the cost of effecting repairs to the Harbor fleet in the spring of 1862 and 1863 respectively, and as the amount expended in the former year considerably exceeded that of the latter, this circumstance has been cited as an evidence of "mismanagement". But it appears from the statement of the Trust and the correspondence appended, that many of the vessels that wintered at Sorel were seriously damaged by the great freshet which occurred in the spring of 1862, and that the demand for labor to prepare them for early service, greatly increased the cost of the necessary repairs to the Harbor and Lake Dredging Fleets; whereas, in 1863 the repairs were of an ordinary nature, and executed under more favorable circumstances.

These being from concurrent testimony believed to be the facts, it is much to be regretted that mistaken zeal for the interests of the Trust should have led one of its officers to make comparisons to the detriment of another, by contrasting the repairs of any ordinary

season with those of an unusual one. Still it is proper to observe that this charge principally relates to what was conceived to be an improper division of the cost of winter repairs, that is, the Harbor Fleet is alleged to have been debited with more than its due proportion of the outlay at Sorel; thus increasing the apparent cost of dredging in the harbor, over which Mr. Forsythe had immediate control.

During the course of my enquiries, attention was also directed to certain accounts connected with the Dredging Fleet between December, 1861, and May, 1863.

It appears that Mr. Kelly, a merchant in Sorel, had agreed to supply the Commissioners at Montreal prices, and that for one or more years he had given satisfaction. But when the accounts for the above period (amounting to \$11,087.36) were sent in for payment, the prices charged were found to be so high that the Trust saw fit to deduct from them the sum of \$1881.20.

This was the more remarkable from all the (109) accounts having been previously certified to by the Superintendent; and from the different views entertained by some of the principal officers as to the degree of responsibility attached to them in this matter.

The Superintendent seems to have considered that the verification of the weights and quantities, was all that could be expected of him, giving as a reason that Montreal prices were liable to fluctuations with which he could not be supposed to be conversant at Sorel. He therefore left this check to the Secretary.

In support of this view he makes a number of quotations from official letters addressed to him, one of which dated 4th December, 1860, is as follows:—

"I presume Mr. Kelly is making out his accounts to close of season, and that they will be pretty heavy. He may rely on it that if you will only look sharply after quantities, that the receipts correspond with the orders, that we shall as closely compare the prices he charges with the rates here."

On the other hand, the then Secretary denies all responsibility in connection with accounts further than checking calculations, and in this he informed the Superintendent in a letter dated the 29th January, 1863, and he also wrote to the Trust in December last to the same effect. It appears, however, that in some cases the rates were freely criticised, after the accounts had been certified by the Superintendent.

On my applying to the Trust for a definition of the duties of its principal officers; the following answer to query No. 6 was received:—

"It is the duty of the store and book-keeper to check all invoices and goods received, and the prices and weights charged for the same. They are again checked by the Superintendent, who in his turn sends them to the Secretary, and if found correct are placed before the Commissioners." From the foregoing it does not appear that this system was either understood or carried out by the officers themselves. Otherwise such serious discrepancies could not have occurred as are evidenced by the Commissioners' deductions from Kelly's accounts.

But is it questionable whether even the proper working of this system of checks could altogether exonerate an officer holding a high and responsible position, who attached an unqualified certificate to erroneous accounts. Experience seems to have convinced the Commissioners of this as they subsequently passed a Resolution to the effect that all articles required in future for the Lake and River service should be purchased at Montreal, and paid for directly through the Secretary. The strict carrying out of this order, it is believed, will prevent a recurrence of similar unsatisfactory results.

The Books of Record kept by the Superintendent were specially brought under my notice, and were as follows viz:—

"*Wages Book*," (No. 6) Shewing the monthly payments made to persons employed in connection with the respective steamers, dredges, &c., from January 1857 generally, to 31st October, 1862.

"*Outfit Book*," (No. 1) Shewing amount paid weekly or monthly for wages, when making the winter and spring repairs.

"*Store Book*," (No. 1) Containing statements of the provisions and other articles delivered to the crews of the different vessels.

"*Coal Book*," (No. 1) Shewing dates and quantities of coal received, and its subsequent delivery to the respective vessels.

"*Iron Book*," (No. 1).—Containing miscellaneous accounts for iron and woodwork.

"*Inventory Book*," (No. 1).—Shewing plant, stores, furniture, &c., on hand at the close of each year.

"*Cash Book*," (No. 1).—Shewing amounts received and paid by the Superintendent from September, 1862, to the 29th January, 1863. (The cash book previous to the above date is stated to have been stolen along with some other property in November, 1862, see correspondence.)

"*Books*," (No. 2).—Containing copies of detailed and general statements, pay-lists, accounts, &c.

From information furnished by the Superintendent and Secretary it seems, that these fourteen books are principally duplicates of documents which have been sent to the Commissioners, and which are still in their possession.

In the spring of last year they were brought from Sorel to Montreal and subsequently examined by the Secretary of the Trust, who reported on the 1st October following, that he found them satisfactory in point of correctness, and states, that according to the system in use they are well kept; at the same time he is of opinion that a better system might be adopted.

After having in a general way carefully looked over all the books, and in some cases compared them with documents in the office of the Trust, it appears to me that although it is necessary such Books should be kept by the Superintendent as records of the business done, and for the purpose of supplying information readily in a collected form, that no other important interest is really dependant on them.

In fact they are simply memorandum books, such as local officers on all large works are expected to keep for their own guidance.

The proper books shewing the receipts, disbursements, and all money transactions are of course kept at the head office of the Trust at Montreal.

Having thus touched upon the prominent points of the several matters effecting the efficient and economical management of the works it is not considered necessary for the purpose of this enquiry to enter into further particulars. If, however, more detailed information on these questions be desired, it will be found in an extended form in the replies to the queries addressed to the respective parties: the explanations of the Trust and their correspondence hereunto appended.

All of which is respectfully submitted.

(Signed,)

JOHN PAGE,
Chief Engineer Public Works.

APPENDIX.

[*John Page, Esq., to H. H. Whitney, Esq., requesting an outline of the system of Dredging, &c*]

MONTREAL, 21st September, 1863.

H. H. WHITNEY, Esq.,
Secretary Harbor Commissioners,
Montreal.

SIR,—With a view to carrying out instructions from the Department of Public Works relative to matters connected with the improvement of the navigable channel of the River St. Lawrence between Montreal and Quebec, as called for by an Order of the Honorable the Executive Council dated 27th August, 1863 ;

It is desirable that an outline of the system adopted by the Harbor Commissioners in conducting the operations in Lake St. Peter, and in otherwise effecting these improvements, should be communicated to me as early as circumstances will admit.

I therefore beg you will be good enough to intimate this to the Board, so that such action may be taken in the premises as deemed expedient.

I have the honor to be, Sir,

Your obedient servant,

(Signed,)

JOHN PAGE,

C. E. Public Works

[*H. H. Whitney, Esq., to John Page, Esq., giving a brief history of the Work of making the Channel navigable.*]

HARBOR COMMISSIONERS' OFFICE,

MONTREAL, 24th Sept. 1863.

JOHN PAGE, Esq.,
Chief Engineer, Public Works,

SIR,—I am directed to acknowledge receipt of your letter of the 21st instant, requesting that I should give you an outline of the system adopted by the Harbor Commissioners in conducting the operations in Lake St. Peter and in otherwise effecting these improvements.

The Commissioners think it advisable to place before you a brief history of their proceedings in the improvement of the navigable channel of the River St. Lawrence between Montreal and Quebec, that you may thereby better understand the causes which have led the Government to order an examination of the works done, by you.

The shallowness of the water in Lake St. Peter and the expense which attended the lighterage of vessels engaged in the trade to the Port of Montreal, formed a subject of great public interest and was frequently brought under the notice of the Legislature at various times from 1832 up to 1843, when the Legislature passed an act authorizing the deepening of the channel by the Board of Works. In this effort to improve the navigation, it was attempted to cut a straight channel through the lake instead of following the natural channel, this was deemed a mistake, and was at variance with the opinions of Mr. Atherton, a Civil Engineer of eminence, and of Messrs. Charles and Jesse Armstrong, whose knowledge and experience of the navigation gave great weight to their opinions. The Honorable John Young on the part of the Montreal Board of Trade examined and reported on the subject, and recommended the abandonment of the attempt to cut a straight channel, which was done by an Order in Council in 1847, after an expenditure of £75,000 by the Government.

Mr. Young being appointed a Harbor Commissioner in 1850, at once suggested to his colleagues the importance of improving the navigation between Quebec and Montreal; the necessity of the work was placed before the Government, and a plan was suggested by which it was believed the work could be carried out through the agency of the Harbor Commissioners, the plan may be stated as follows:—That the Harbor Commissioners of Montreal should be authorized to undertake the work, and to borrow money, the interest of which should not exceed eight per cent, and this interest as well as a sinking fund of two per cent per annum, was to be provided for by a tonnage duty not exceeding one shilling per register per ton on all vessels drawing 10 feet and upwards for each time they passed through the lake, and should the revenue so collected prove insufficient to pay the interest on moneys borrowed, the surplus revenues of the Harbor of Montreal were to be applied to make up any deficiency. This plan was adopted by Government, and an Act of Parliament procured in accordance with it.

The first step taken was to appoint a Board of Engineers to examine and report on the best means of deepening the lake so as to obtain a channel of 16 feet at lowest water. The parties selected for this important duty were Messrs. McNeil and Childs, eminent Civil Engineers in the United States, and C. S. Gzowski, a well known engineer in Canada. These gentlemen were associated with Sir W. Logan, Provincial Geologist (by order of the Government) who determined the nature and the character of the deposit in the Lake.

After a minute survey of the old or natural channel, as well as the new cut made by the Board of Works, they recommended the Commissioners not to resume operations in the straight cut, but on the contrary, to follow the channel already formed by natural causes; which they reported presented no obstructions but sand and clay, which could easily be removed by dredging.

This recommendation was adopted by the Harbor Commissioners, and the most complete success has been the result. The Commissioners commenced work on the 12th June, 1851, with one dredge and the harrow; and on the 3rd November in the same year, a channel 75 feet wide and 2 feet deep and four miles in length was cut through the highest part of the flats. On the 8th November the ship "City of Manchester" was loaded down to 14 feet, the depth on the flats being 12 feet, and was taken through the lake without touching or slackening speed. Thus, in less than five months, two feet were added to the draught of sea-going vessels trading with Montreal. In November, 1852, the Commissioners were notified by their Superintendent, Captain John Bell, that he was prepared to take a ship through the lake drawing four feet more water than was on the flats, but as a ship with the necessary draught of water could not then be obtained, the trial was deferred till the 4th August, 1853, when the Barque "California" was loaded down to 16 feet 2 inches, when there was only 12 feet on the flats, and passed through without delay or difficulty. The channel at this time had been widened to 150 feet.

By the close of the season of 1853, the channel was 16 feet 6 inches deep when there was 11 feet on the flats, and was widened to 250 and 300 feet. The remarkable success which has attended the exertions of the Commissioners induced them to ascertain whether any and what obstacles existed in the river and lake to deepen the channel to 20 feet at lowest water, and it was found upon examination that by adopting a new channel on the south shore between Varennes and Lavaltrie, discovered by the late Captain Bell, it was quite practicable so to improve the navigation between Quebec and Montreal, that at lowest water and tides there would be a channel of 20 feet, while before there was only 11 feet.

Before taking this important step, the Commissioners deemed it prudent to place this view of the subject before the Board of Trade who highly approved of the resolve, and the citizens, at a public meeting called specially to consider the matter, unanimously agreed that the interests of the city were involved in securing, if possible, a 20 feet channel, and urged on the Commissioners the necessity of pushing it forward. The work of deepening has steadily progressed. On the 16th October, 1859, when the water was very low, the Commissioners, with a view of testing their work, loaded the ship "Pride of Canada" down to 18 feet 8 inches, while on the flats of lake St. Peter there was only 11 feet 9 inches; the ship passed without difficulty of any kind, and this fact was certified to by Messrs. Bristow, Hudon, David, Atwater, Thornton, Kinnear, Lowe, Coursol, Whitney, Young, Delisle and Armstrong, who accompanied the ship from Montreal, these gentlemen represented the Trinity Board, the Board of Trade, the Press and the Harbor Commissioners: since that time a large

number of ships loaded down to 18 feet when there was 11 feet on the flats, have passed through the channel without any obstruction. If further proof was necessary of the fact of there being 18 feet in the channel at low water, and of the width, it is offered in the Report of Commander Orlebar, R. N., to His Excellency the Governor General, dated 29th of February, 1860. This officer was ordered by the Admiralty of England in 1859, to survey the St. Lawrence from the Lachine Rapids to Quebec, and from thence to the Straits of Belle Isle. No higher authority than the report of such an officer could be offered, as to the channel through lake St. Peter and other parts of the river. I beg to enclose herewith a copy of the same. You will notice that Commander Orlebar states in his admiration of what had been accomplished that "The great work of deepening lake St. Peter deserves more than a passing notice; this most judicious and well-considered scheme has been deservedly crowned with complete success, and reflects the greatest credit for the zeal and ability with which the Commissioners have so successfully excavated a channel of 18 feet through the flats, where in the old time there were only eleven. The cut channel is of the uniform width of three hundred feet, and is buoyed on the south side at short distances of less than half a mile.

"The elaborate surveys and plans of soundings of the Harbour Commissioners, the Reports of the various Engineers, &c., were all examined carefully, and afforded me complete knowledge of the whole matter; but I felt that to make our survey of real value to the public generally, it ought to be done independent of local aid: therefore, whilst we communicated freely with Captain Armstrong, and received from him information from time to time, as to the existence and removal of obstructions and the placing of lights and buoys, we have ourselves resounded the whole length of the navigable channel of the river, a distance of 150 miles, varying in width from one-third to one-half mile." Commander Orlebar concludes by stating, that when the plans of the river are published, it will be apparent to all how judiciously and successfully have all the late improvements been carried out, and also how entirely the added facilities for the navigation of the river are a benefit to the whole people, and how eminently calculated to increase the Trade and Commerce of the Canadas with the whole world."

Everything connected with the works on the river and lake under charge of the Commissioners had proceeded satisfactorily until December 30th, 1859, when they received a letter from Robert Forsythe, Esq., their Engineer for superintending constructions and of dredging in the Harbor of Montreal, in which in reference to the dredging in Lake St. Peter under the control and management of their Superintendent Captain Charles Armstrong, Mr. Forsyth states, that "I am of opinion that there is more work done than would be necessary to make a straight channel (300 feet wide) from point to point in the present line of works, and in my official capacity, I cannot too strongly urge the necessity of this survey on the ice, and should it prove the work quite regular, it will be a great satisfaction to the Commissioners and the public, and if not found straight they will have an opportunity of rectifying the error."

On the 19th June, 1860, Mr. Forsythe again addresses the Commissioners urging an ice survey and condemning the plan pursued by the Superintendent Captain Armstrong, in the letter he states, "It is proposed to commence the dredging at this time in Lake St. Peter at the lower light vessel, and from that point to dredge in a straight line to the White Buoy. By the present system adopted, I state positively it is perfectly impracticable to make that line straight, and I would have asked the opinion of some engineer on the subject, but that I do not wish that I should be the person to ask outside opinions of those not concerned in the improvement of the River St. Lawrence.

"To illustrate my assertion, I submit a copy of the plan submitted by Captain Armstrong as the mode by which he straightens his channel, and on it I shew a sketch of the channel drawn to a natural scale. The starting points having never been systematically tested may be wrong to begin with, and an error of half the thickness of the pole that supports the beacon at Pointe du Lac would make a difference at the end of the line of about 45 feet either the one way or the other as the pole might be placed; then the second mark for a guide is the floating light moored with 45 fathoms chain more or less, and liable to swing with every course the wind blows, this vessel being never one second of time in the same position, and is therefore in my opinion rather a fickle mark for such an expensive undertaking, and even with the assistance of poles, barrels and ropes, will be anything but a straight line. Therefore, until the Commissioners have in their possession some accurate information

as to the present shape and depth of the improved channel in Lake St. Peter, I would strongly recommend them to prosecute their River works where at least a comparatively straight line can be obtained and worked to.—The following is the sketch alluded to.—(*Not printed*).

Notwithstanding the great confidence the Commissioners had in the experience and skill of their Superintendent, Captain Armstrong, supported as was that confidence by the fact that the channel had been tested by the "Pride of Canada" passing through it, and also by vessels passing through it in time of low water drawing 18 feet, when there was 11 feet on the flats, and also by the careful survey of Captain Orlebar, R. N., the very highest authority in all such questions, still the Commissioners did not feel themselves at liberty to overlook the strong opinions expressed by Mr. Forsythe, as to the erroneous system as alleged on which Captain Armstrong was proceeding, and therefore the subject was brought before the Board and fully discussed, when at an adjourned meeting of the Commissioners on the 31st Dec., 1859, of which the following is an extract:—

PRESENT.

(Signed,)

H. H. WHITNEY,—*Chairman*,

Hon. JOHN YOUNG,

A. M. DELISLE,

THOS. KAY, *President of the Board of Trade*.

The question of a survey on the ice, of the dredged channel in the lake and river to be made by the Harbor Engineer, having again been taken up. Mr. Young, seconded by Mr. Kay, moved the following resolution:—

Resolved,—"That after a further consideration of the question of a survey to be made of the works done in Lake St. Peter, and the river, as ordered in the resolution passed at a meeting of the Board on the 23rd instant, it is deemed advisable for various reasons to postpone said survey until the receipt of Commander Orlebar's report to the Admiralty of the survey which he made of the river and lake from Montreal to Quebec," which was passed, Mr. Delisle dissenting.

No further action was taken in reference to an ice survey until the 30th January, 1862, when at a meeting held on that day, of which the following is an extract:—

PRESENT.

H. H. WHITNEY, *Chairman*,

His Worship the Mayor, C. S. RODIER, Esq.,

A. M. DELISLE, Esq.

EDMUND ATWATER, *President of the Board of Trade*.

It was resolved unanimously, "That in order to ascertain the precise state of the dredged channel through Lake St. Peter at present conducted under the Superintendence of Capt. C. E. Armstrong, an accurate Survey of the whole be forthwith made on the ice by Mr. Robt. Forsythe, the "Harbor Engineer," and plans of the same be prepared by him, accompanied with a report containing estimates of quantities, and all other information as may be requisite to enable this Board to give out the completion of the dredging works by contract, if they should see fit to do so, and also that Captain Armstrong be instructed to co-operate with, and afford Mr. Forsythe, the Engineer, every information in his power, in the prosecution of such survey; and further, that as Mr. Brown has expressed his willingness to make a tender, to complete the lake dredging works, after the extent of same shall have been ascertained by the survey, he has agreed to employ an engineer and competent men at his own expense to represent him during the survey of the Harbour Engineer.

The object of the Commissioners in ordering this survey was not only to test the correctness of Mr. Forsythe's opinions, but to ascertain whether the work could not be given out to advantage by contract. The effect, however, of the survey and the public notice thereof, attracted the attention of the Government, who, under an agreement with the Commissioners in 1860, had agreed to assume the lake and river improvements below Montreal as a Public Work. And here, it may be well to explain, that this assumption by the Government of the lake and river improvements, it may be well to state that the necessity of assuming these works as Public Works, was first pointed out to the Government in a memorial from, this Board dated 14th December, 1855, signed and written by the Honorable John Young, as chairman of the Commission; among other arguments used for this cause, he states:

"That under the control of the Harbor Commissioners, the deepening of the ship channel between Montreal and Quebec has been crowned with such signal success, that the enlargement of the Harbor of Montreal to an extent commensurate with the depth of water shortly to be obtained in the lake and river, calls for the most earnest and serious consideration.

"That in view of such extension of Harbor accommodation, the necessity of which will be more urgently felt when the channel of lake St. Peter shall have been deepened to 20 feet at low water, it is of the utmost importance that no time should be lost in making ample provision for the same.

"That your memorialists are of opinion that the money necessary for extending the Harbor of Montreal could be raised under the guarantee of the Harbor Trust, but while they admit that the interest on which it is contemplated to borrow for extending the wharf accommodation at Montreal should not be met by the revenue of the Harbor, they cannot admit the justice of burdening their revenue with the whole of a debt for the improvement of the river St. Lawrence at a point which the Government itself has already recognized to be a Provincial undertaking, and constituting a link in that great chain of internal water communication, not confined in utility to the city of Montreal only, but of vital importance to the people of Canada generally, both in the export of produce and the import of merchandize."

Mr. Young again addressed the Provincial Secretary in a memorial dated Toronto, 5th March, 1856, and since that time the necessity of these improvements being considered Public Works, has been constantly urged on the attention of the Government by the Commissioners, until in 1860, the Honorable Mr. Cartier and the Honorable Mr. Galt gave the subject their earnest attention, and these gentlemen, representing the Government, and agreeing with the Harbor Commissioners that the work should be considered a Public Work, in which the whole Province was interested, consented to the agreement, by which the sum of £210,000 should be paid as the cost of the work up to that time for the 18 feet channel, on condition that the Harbor Commissioners, out of their own revenues, should finish the channel to 20 feet. Of this £210,000, there was £170,000 represented by outstanding debentures, and £40,000 which had been taken out of Harbor Revenues and disbursed on lake and river improvements. The cost of the whole work, when completed to a depth of 20 feet, will no doubt cost upwards of £250,000, so that the Harbor Commissioners will have to pay out of their revenues, some £40,000 more than they will, by their agreement, receive from Government.

The Commissioners have directed me to specially call your attention to these facts, in reference to the cost of the works when completed, upon which you will be able to report. The action, however, of the Commissioners, in their desire to test the correctness of Mr. Forsythe's allegations by an ice survey, and thereby be better able to fulfil their engagements with the Government, seems to have created a feeling of distrust, as the following letter indicates, as the whole works in the lake and river were ordered to be stopped.

DEPARTMENT OF PUBLIC WORKS,
Quebec, April 23rd, 1862.

TO ALEX. CLARK, ESQ.,
Secretary, Harbor Commissioners,
Montreal.

SIR,—I am directed by the Honorable the Commissioner, to state for the information of the Montreal Harbor Commissioners, that the Government have decided that no money will be paid by the Province for works done in connection with deepening lake St. Peter, prior to the completion of the proposed survey of the lake by one of the engineers of this Department. The Harbor Commissioners will therefore be pleased to await further instructions from the Government before commencing operations or undertaking any work in connection with the subject referred to.

I am, Sir,

Your obedient servant,

(Signed,)

T. TRUDEAU,

Secretary.

The Commissioners lost no time in pointing out to the Government the injurious results which would eventually flow from stopping the works, that no good reason existed for doing so; that they believed it would be found that great skill had been shewn in the prosecution of

the work, and begging that the above letter of the 23rd April, should be withdrawn. These views were represented to the Government by the Commissioners, in their letters of the 28th April, and 14th May, 1862, copies of which are herein enclosed, when at a meeting held on 30th May, 1862, the following resolution was adopted :—

PRESENT.

The Hon. JOHN YOUNG, in the Chair,
A. M. DELISLE, Esq.,
J. S. BEAUDRY, Mayor of Montreal,
The Hon. L. H. HOLTON, President, Board of Trade.

No reply having been received from the Department of Public Works, to our letters of 28th April, and 14th instant, regarding the position of the Trust with the Government in the matter of resuming the Lake St. Peter operations, it was resolved :

“ That the Honorable John Young be requested to proceed to Quebec, with the view of making such representations to the Government as shall induce the withdrawal of the letter of the Commissioner of Public Works, dated 23rd April last, restraining this Board from resuming operations for deepening the ship channel in lake St. Peter.”

Mr. Young proceeded to Quebec, and at a meeting held on the 5th June, 1863.

PRESENT.

The Hon. L. H. HOLTON, (in the chair) President Board of Trade,
A. M. DELISLE, Esq.,
J. S. BEAUDRY, Esq., Mayor of Montreal,
The Hon. JOHN YOUNG.

Mr. Young reported the result of his mission to Quebec, to the effect that the Government before withdrawing their letter of the 23rd April last, restraining this Board from resuming operations in lake St. Peter, would require all the plans, reports and documents connected with the late survey of the lake by the Harbor Engineer, laid before them for their consideration—Whereon, upon motion of Mr. Young, it was resolved, “ That Mr. Forsythe’s report and plans of his recent survey be transmitted to Captain Armstrong, with a request that he do take cognizance of the same, and transmit to this Board his opinion and comments upon the subject embraced therein, as early as he possibly can.”

The plans of the Harbor Engineer and this report were at once sent to your Department, and Mr. Young again proceeded to Quebec, and was successful in obtaining authority from the Government for the resumption of the work, as the following letter indicates :

DEPARTMENT OF PUBLIC WORKS,
Quebec, 26th July, 1862.

SIR,—I am directed by the Honorable the Commissioner to state for the information of the Montreal Harbor Commissioners, that an Order in Council has been passed, of which the following is an extract, viz :—

1st. That out of the appropriation for the deepening of Lake St. Peter, a sum of \$30,000 be placed at the disposal of the Commissioner of Public Works for prosecuting the works, and to be paid to the Montreal Harbor Commissioners as hereafter provided.

2nd. That the works be prosecuted during the present season under the directions of the Montreal Harbor Commissioner, and that they be authorized to proceed with the works without delay.

3rd. That the Commissioners shall send a monthly statement of their expenses for the work to the Department of Public Works, and that the amount so expended, be paid to them by the Commissioner of Public Works out of the said sum of \$30,000.

4th. That an Engineer be sent from time to time, under the directions of the Commissioners of Public Works, to examine the works going on, and make such soundings and surveys as may be considered necessary and report to this Department.

In Mr. Forsythe’s report of his survey, of which I beg to send you a copy herewith, you will notice that he asserts that a great deal of unnecessary dredging has been made, amounting in all to 380,253 cubic yards, estimated to cost \$55,098.66, but as this is denied by Captain Armstrong, whose reply to the report of Mr. Forsythe I also send you; the Commissioners trust that you will carefully examine the correctness of these different state-

ments, for they are of opinion, after a careful examination of the survey, that the work, as carried on by their Superintendent reflects, great credit on him and fully supports all the statements made by the Commissioners to the public and to the Government, not only as to the depth of water, but also of the width of the channel.

This is the more necessary, because, in a correspondence signed by Mr. Forsythe as Engineer of the Harbor Commission of Montreal, but without the authority of the Board, he states in a letter dated 20th March, 1863, that "although it is stated that hundreds of vessels have passed through the lake, drawing 18 feet, when there was 11 feet on the flats, this is merely an exaggeration which any of the pilots will substantiate. I have never doubted that a vessel could be taken through the lake drawing 18 feet with 11 feet on the flats, provided she had a powerful steamer to tow her, and as my survey shews a correct state of the bottom of the channel, a glance at it will shew that the shallowest part of the channel is at the turn of the No. 2 light vessel, and at that place the soundings shew 17, 16, 17-10 and 18 feet."

Mr. Forsythe, again in a letter published over his own official signature says, "I feel grateful to "Quebec" for giving me credit for having been always in favor of giving out the dredging in the lake by contract, (a system I would like to see adopted over any similarly mismanaged work) and if the result of letting out the lake dredging by contract should turn out as satisfactory as the dredging by contract in the Harbor of Montreal has done, the sooner the present system is abolished the better for all parties concerned."

It is needless to observe that the above statements, coming from the Engineer of the Harbor, in relation to works over which he has no control, has a tendency to injure the credit of the Trust in public estimation, and the Commissioners would therefore direct your attention to them.

Dredging operations in the harbor and in the river and lake are carried on by

- 4 Steam Dredges, having engines of 30 horse power,
- 3 Steamboats,
- 15 Scows,
- 1 Stone lifter,
- 1 Stone strip,
- 1 Vessel used as a coal depot,
- 12 Engineers,
- 7 Masters of Dredges and Steamers,
- 70 Sailors,
- 17 Firemen,
- 3 Blacksmiths,
- 3 Assistant Do.
- 1 Store-keeper,
- 1 Carpenter.

Of the above, 2 dredges, 2 steamers, 6 scows, the stone strip and coal depot are in the lake and under the superintendence of Captain Armstrong; the other 2 dredges and steamers are at work in the Harbor under charge of Mr. Forsythe.

For the last two years a portion of Harbor dredging has been given out to Mr. Brown by contract, in consequence of the rapid increase of the trade of the Port, and the necessity of providing increased accommodation.

The books of the Harbor Trust are kept on the system of Double Entry, and are regularly balanced; a full and complete statement of the accounts and affairs of the Trust are annually sent to the Provincial Secretary, and I beg to send you herewith a copy of that of last year.

The men employed on lake St. Peter and river are paid every month; pay sheets of the amount due each person, are sent up to the office here by the Superintendent, the same are again checked and examined by me, and then placed before the Commissioners for inspection, when, if found correct, the order for payment is made, and the money paid by the Secretary or his agent. The same system is adopted by the Engineer of the Harbor Works, except that the men are paid weekly. It has been the practice to engage the Engineers and Masters of vessels by the year, and employ them during the winter in getting the boilers, engines and vessels put in thorough repair for summer operations. The Board meet once every week (although often obliged to meet more frequently) on Thursday, and all business transacted

is regularly entered into a Minute Book, the first business at each meeting being the reading over and adopting the Minutes of the previous meeting.

The great decrease in the cost of Ocean freight since the deepening of the channel, compared with the cost before it was completed, when transshipments by lighters had to be made to enable ships of even 400 tons to pass down to Quebec, is of vast Provincial importance, and is entirely attributable to our being now able to employ ships of large burthen, and to dispense with the transhipment of cargo. I confidently believe that a careful examination by you will satisfy the Government that the work has been most economically managed, and that no work of such magnitude has ever in any country been accomplished at so small a cost.

The completion of the work has been delayed by a great freshet in the Richelieu River in 1862, by which several of the dredges and steamers were seriously damaged, and which prevented much work being done in that year till October. Delays also resulted from the employment of the lake dredges in the Harbor, which was rendered imperative by the absolute necessity of providing increased Harbor accommodation for the rapidly increasing trade.

Should you desire any further information in reference to the Works, I am directed by the Commissioners to give you the same, or be of any service to you in your investigations.

The Commissioners also desire me to say that they should be much pleased to receive from one who has had such extended experience, and is so eminent in your profession as yourself, any suggestions as to the mode of working in the lake, river or harbor, or to any improvements which you would think proper to advise.

I have the honor to be, Sir,

Your obedient servant,

(Signed,)

H. H. WHITNEY,

Secretary.

[*Commander Orlebar to His Excellency the Governor General reporting Admiralty Survey from Lachine Rapids to Quebec.*]

REPORT OF THE ADMIRALTY SURVEY OF THE ST. LAWRENCE ABOVE QUEBEC.

CHARLOTTETOWN, PRINCE EDWARD ISLAND,

February 29th, 1860.

SIR,—Able assisted by Commander Hancock and the other officers attached to this survey, I have surveyed and sounded the River St. Lawrence from the Lachine rapids, six miles above Montreal, to Ange Gardien, eight miles below Quebec. The result of this work on the scale of three inches to the sea mile, covering fourteen double elephant sheets, is now before me, of which four have already been sent to England, and the remainder are being copied to transmit to the Admiralty for publication. As an examination of these plans would readily enable Your Excellency to judge of the truth of what I now proceed to state, I would have preferred delaying my report until their publication; but, aware of the great interest taken by the Canadian public generally in all works connected with the development of their trade and the improvement of their great river highway, I have decided not to defer submitting to Your Excellency my report of the same, and giving my independent testimony to the value of the vast improvements made of late years in the River St. Lawrence above Quebec. From my arrival at Montreal on the 26th August, 1858, to the 12th October, 1859, the Montreal Harbor Commission, as well as other public bodies, and Quebec, have afforded me every necessary information and assistance. The elaborate surveys and plans of soundings of the Harbor Commissioners, the reports of the various Engineers, &c., were all examined carefully and afforded me complete knowledge of the whole matter, but I felt that to make our survey of real value to the public generally, it ought to be done independent of local aid, therefore, whilst we have communicated freely with Captain Armstrong, and received from him information from time to time as to the existence and removal of obstructions, and the placing of lights and buoys, we have ourselves resounded the whole length of the navigable channel of the river, a distance of 150 miles, varying in width from one-third to one-half a mile. These soundings have been carefully reduced to the same level as that adopted by the Harbour Commissioners, and answering to the depth of ten feet three inches on the flats of Lake St. Peter, and the correctness of which was tested on our arrival at the Lake.

I may here state that the water is ordinarily at its lowest during the months of August and September, and seldom has been known to fall lower than ten feet six inches on the Lake St. Peter flats.

To carry our chart of the river up to the first real obstacle to its navigation, the survey was extended to the Lachine rapids, and the soundings taken above and below the great Victoria Bridge; some change in the direction of the channel, and set of the current, had been effected by the building of the bridge, but the extensive change wrought in the harbor and near the wharves of Montreal by the dredges of the Harbor Commission were still more noteworthy and have been faithfully registered on our six inch plan of the harbor of Montreal.

Laboring under no common difficulties, owing to the rapidity of the current off the city wharves, the hard slaty nature of the bottom, and the numerous boulder stones, the Harbor Commissioners have by skillful dredging, both increased the wharf accommodation and the capacity of the Harbour to an extent greater than I could have supposed possible. Still the increased size of the city, its important position as the terminus of the great Ocean highway from Great Britain, its numerous steamers and its vessels of all sizes overcrowd the present wharves, and require additional accommodation far beyond any possible improvement of the Harbor, and I cannot but regard the proposed plan of docks at Point St. Charles as eminently calculated to meet the requirements of the growing trade of Montreal and western Canada, and to supply the pressing want of safe winter accommodation for steamers and other vessels, whilst in connection with railroads and canals it will aid largely the grand purposes of securing and confining the great western traffic to the valley of the St. Lawrence. The immediate neighborhood of the bridge and railroad, the security afforded by its embankment from damage by the current or encroachment by the ice, and the site being the property of the city, seem to point out that part of the Harbor as by far the most eligible.

I have now to speak of the river below Montreal,—the main channel follows the left bank of the river, deflected occasionally by shoals of boulder stones, more or less towards the middle of the stream, till we arrive at Pointe aux Trembles. Here the disturbing confluence of the Ottawa River at Bout de l'Isle is felt and the river weakened in its current by the interposition of Isle St. Thérèse and Isle à l'Aigle; divided into three channels, the main body passes into a narrow channel, at one place only 762 feet from shore to shore, and 64 deep. At the head of this channel a bank of clay has been cut through and deepened so as to give twenty feet. At about half a mile below Varennes, 2 lights have been erected on Isle Thérèse, under the guidance of which, the traverse towards Cap St. Michel is made. To maintain a straight channel in this traverse, several obstructions have been carefully removed, and the depth of 20 feet can be carried into the South or Verchères channel commencing at Cap St. Michael. By the selection of this channel in preference to the old, the Commissioners have shewn excellent judgment, for by doing so they avoid the cross currents from the Ottawa River, and the many dangerous "*pouliots*" between Isle à la Bagne and Lavaltrie. Along this channel some deepening has been effected to maintain as far as possible a straight course, but nothing in comparison to what would have been required in the other channel. To complete the convenience of the Verchères channel there is still required a light on Plum Island.

At the foot or north-east end of the Verchères Islands, the flats off Contrecoeur oblige another traverse to be taken towards Lavaltrie, the guidance of two lights eastern, and some dredging has been effected at one or two points to maintain a straight course and the requisite depth of twenty feet.

Arrived on Lavaltrie Island, we enter the cut across the Lavaltrie bar, deepened from 14 to 19 feet; upon the lower part of this canal Captain Armstrong's dredges were at work, and we witnessed with pleasure and instruction the able manner in which the dredges scooped up the stiff clay and stones that here form the bed of the river.

Two lights in line on Lavaltrie Island lead through the cut until abreast of the Isle Plate, where a white buoy points out a shoal spot, and the course is deflected to the south-east, entering at the distance of two cables, the broad deep natural channel of the river which continues without obstruction and requiring little notice until we have passed Sorel.

The Ship Channel passes in a curve to the northward, between Boat and Stone Islands. To lead into this channel a fixed light has been erected on the east end of Stone Island. A slight change, of course, leaving this light on the left hand leads into Lake St. Peter. The great work of deepening Lake St. Peter deserves more than a passing notice. This most judicious

and well-considered scheme has been deservedly crowned with complete success, and reflects the greatest credit for the zeal and ability with which the Commissioners have so successfully excavated a channel of 18 feet through the flats, where in the old time, there was only eleven. The channel over the upper bar, buoyed on the South, once 13 feet, we found deepened by dredging to 20 feet, and lies in a direct line between the Raison Island light and the western light ship. One and a half miles north 62° east from the light ship, we enter the new cut through the flats.

The dredge of the Harbor Commission has deepened this in the upper part from 15 to 18 feet and 19 feet, in all a distance of seven miles in an easterly direction to the lower pool. The cut channel is of the uniform width of 300 feet, and is buoyed on the south side, at short distances of less than half a mile. The lower part of this channel is excellently marked out by the eastern light ship and light on Pointe du Lac; but to mark the requisite change of course occurring $3\frac{1}{2}$ miles below the centre light ship for safe navigation by night, there is something more required than buoys. I should purpose to place there another floating light or high beacon, removable at the close of the navigation. Above and below the eastern light ship, which is on the lower bar, the channel has been dredged to the depth of 19 feet for the distance of one mile. On passing the light, this channel bends to the southward and the course of E. S. E. marked out by buoys, leads, at the distance of half a mile from the light ship, into the deep water of the natural channel, until the lights at Port St. Francis come in line ahead.

Following the usual channel which passes close to Three Rivers, at 2 miles below Cap de la Magdel ine, we arrived at the Provenche shoals.

Here the channel used by the Pilots, only secures a narrow depth of barely 19 feet, but following the main channel to the southward of the shoals a depth of 24 feet can be maintained. This has been recommended by the Harbor Commission; but to make this available by night, as well as by day, there should be two lights near the church at Cap de la Magdel ine and the two lights below, one on Bigot Island and the other near Champlain Church. The channel after this follows the north bank of the river until arriving at Batiscan wharf; two lights astern direct a traverse towards Cape Levrard to avoid the St. Anne shoals.

The skill of Captain Armstrong has been tested to maintain a depth of 20 feet at low water, passing Cape Levrard. But by careful dredging he has at last succeeded. From our sounding, and inspection of the original survey, I am disposed to think that the River Batiscan and St. Anne, entering the St. Lawrence at right angles to its course, may occasionally make changes and cause obstructions in the channel, and that at the commencement of each navigable season it would always be prudent to examine this and other intricate passes on the river below Montreal.

Two lights at Grondines in line, conduct the vessel from Cap Levrard on an E. N. E. course until two other lights on Cape St. Charles come in line E. S. E., below these the channel is wide and deep, and a due arrangement of lights lead over the Richelieu Rapids and past the Platon and so on to Quebec.

Throughout the remaining distance of 35 miles, the river maintains a broad deep channel, with the Paget and Trembles shoals extending from the north side below Pointe aux Trembles, the flats or bordage strewed with boulder stones contract, and the channel extends nearly from shore to shore.

Narrowed to half a mile opposite the Chaudière, and confined between high banks, its depth increases to 174 feet. The great improvements on either bank of the river near Quebec, shewed the necessity of our re-survey, and a careful re-sounding discovered a decrease in the depth as given in the survey of 1827, in many places amounting to 36 feet.

This is doubtless due to the immense quantity of ballast thrown overboard by vessels frequenting Quebec for the last thirty years. I have always been of opinion that this must prove eventually injurious, and accumulate in those parts where the increased width of the river diminishes the downward current, and allows the water to spread. To obviate this, I would respectfully urge the necessity of a regulation, obliging vessels to deposit their ballast in open blocks provided for the purpose along the edge of the bordage or the flats of the St. Charles.

In conclusion, when the plans of the river are published it will be apparent to all how judiciously and successfully have all the late improvements been carried out; and also, how entirely the added facilities for the navigation of this river are a benefit to the whole people,

and how eminently calculated to increase the trade and commerce of the Canadas with the whole world.

With great respect, I subscribe myself,

Your Excellency's humble servant,

(Signed,)

JOHN ORLEBAR,

Commander in charge of the Survey of the
Gulf of St. Lawrence.

His Excellency Sir EDMUND W. HEAD, Bart.

Governor General,
Canada.

LACHINE CANAL OFFICE,
Montreal, 1st October, 1863.

H. H. WHITNEY, Esq.,
Secretary Harbor Trust,
Montreal.

SIR,—I have the honor to acknowledge the receipt of your letter of the 24th ultimo, containing much valuable information in regard to matters connected with the improvement of the ship channel between Montreal and Quebec. The various questions having been however treated in a general way, it is desirable, in order to enable me to carry out the instructions of the Government, that the Board should supply information more in detail, and with that object in view, I beg respectfully to draw attention to the following points, viz :—

1st. Does the £75,000, said to have been expended by the Board of Works in deepening Lake St. Peter, include outfit; if so, how much of that outfit, if any, and its value, was transferred to the Harbor Commissioners either at the time or subsequent to their assuming the works connected with the improvements of the ship channel?

2nd. How much has been collected for tonnage dues on vessels passing through Lake St. Peter, drawing 10 feet water and upwards? To what purpose had the funds thus collected been applied? How much does the sinking fund of two per cent authorized by the "Act" amount to?

3rd. By the agreement with the Harbor Commissioners in 1860, did the Government assume the re-payment of interest hitherto paid or then due on the debentures issued for the lake and river debt of £170,000; or what was the nature of the agreements on these points?

4th. Is it understood that the £170,000 debentures debt, together with £40,000 (making in all £210,000) then agreed to be furnished on certain conditions to the Harbor Trust, for the purpose of continuing the lake and river improvements to a depth of 20 feet at lowest water, includes a sum of £15,000 previously advanced by the Government on plant, &c., or is the latter sum to be added to the former as the liability assumed by the Government?

5th. In conducting the works connected with the deepening of Lake St. Peter and the river improvements what are the duties of the Superintendent? Who lays out the work to be done? Who hires, or when necessary, dismisses the workmen? Who regulates the rates at which the workmen are paid for their services? Who keeps check of the workmen's time? What are the salaries or rates paid to the principal officers, such as Superintendent, Masters and Engineers of dredges and steamboats, &c. &c.? Do the Trust board the workmen and other employés? If so, how are the supplies furnished, what check is there upon their delivery and the rates charged for them?

6th. How are the necessary repairs to dredges, steamboats, &c., and other outfit executed; are the various articles for their maintenance supplied by contract or otherwise? What means are adopted to check the quantities of the article delivered and the prices charged for them?

7th. Do the Trust keep their dredges, steamboats and plant insured?

8th. Has the expenses connected with sounding the lake and river, erecting beacons and buoying out the channel, being charged to river improvements, or has the Trust been paid for these necessary works from any other source?

9th. Has the Trust at any time authorized the Superintendent of Lake St. Peter Works to increase the width of the channel at any point, or to deviate from the line first decided on ; and if so, at what places were the changes made ?

10th. Has the Superintendent the full control, under the Trust, of conducting the lake and river works, or is any other person consulted ?

11th. Did the Harbor Engineer report on the Lake St. Peter Works in December, 1859, or June, 1860, at the request of the Trust, or on what authority were these letters written ?

12th. Has the tenor of the Resolution of the Board of the 30th January, 1862, in regard to an ice survey, been carried out, or has any tender for the completion of the channel through Lake St. Peter, been received, and if so, the amount and conclusions in reference thereto ?

13th. Has the Harbor Engineer at any time brought under the notice of the Board, the details of any irregularity in carrying on the works in Lake St. Peter, other than the statements made in his general report dated 16th April, 1862, in regard to a quantity of dredging alleged to have been done outside of the channel-way ?

14th. Did the correspondence to which my attention is drawn by your letter "as having created distrust, emanate from the Harbor Engineer with the sanction of the Commissioners or otherwise ?"

15th. Do the Trust accept as satisfactory the reply dated 11th June, 1862, of the Superintendent of the lake and river works, to the charges made in the report of the Harbor Engineer, dated 16th April, 1862, in regard to the lake works ?

16th. When the dredges and steamboats generally employed on the lake and river works, are engaged on those of the Harbor of Montreal, to what fund are their maintenance and working expenses charged ? In such cases have the dredges, &c. been returned to the lake in equally good working order as when they are withdrawn ; if so, to what fund has their repairs and maintenance been charged ?

17th. At what point do the Commissioners understand the lake and river improvements to terminate, and those of the Harbor of Montreal begin ? Has any portion of the expenses connected with deepening the channel between Hochelaga and the lower entrance of the Lachine Canal, been charged to the lake and river improvements ; if so, how much, and the conclusion arrived at by the Trust upon these points ?

18th. It is also desirable that I should have a statement shewing the time and number of dredges, steamboats, &c., employed on the lake and river works during 1860, 1861, 1862, and up to the 1st September 1863, together with a statement of their working expenses, repairs and maintenance for these years respectively.

I have the honor to be, Sir,

Your obedient servant,

(Signed,)

JOHN PAGE,

Chief Engineer, Public Works.

MONTREAL, October 6th, 1863.

JOHN PAGE, Esq.,

Chief Engineer, Public Works.

SIR,—I am directed by the Harbor Commissioners to acknowledge your letter of the 1st instant, stating that in addition to my letter of the 24th ultimo, giving a general history of the works for the improvement of the navigation in Lake St. Peter and river between Montreal and Quebec, that "it is desirable in order to enable me to carry out the instructions of the Government that the Commissioners should supply information more in detail."

With this object in view, you propose a series of questions, which I am instructed to reply to in the order in which they appear in your letter.

1st. "Does the £75,0000, said to have been expended by the Board of Works in deepening Lake St. Peter include outfit ; if so, how much of that outfit, if any, and its value, was transferred to the Harbor Commissioners, either at the time, or subsequent to their assuming the works connected with the improvements of the ship-channel ?"

Ans. In the Public Accounts of the Province, the Lake St. Peter operations stand debited with £75,000, and as this expenditure was made before the attempt of the Harbor Commissioners to improve the channel, the records of the Department of Public Works, will no doubt shew how much was expended in outfit, and how much in labour.

The Commissioners commenced operations in the lake on the 12th June, 1851. On assuming the work, two dredges and two scows, with several imperfect chains and buoys were received from the Department of Public Works, which had been in use for four years in dredging. These dredges and scows were out of repair, and required a complete renewing, and their value, when received, could not be estimated over £9000, no other plant or material was received by the Commissioners from the Government.

2nd. "How much has been collected for tonnage dues on vessels passing through Lake St. Peter, drawing 10 feet of water and upwards? To what purposes have the funds thus collected been applied? How much does the sinking fund of 2 per cent authorized by the "Act" amount to?"

The total amount of dues collected was as follows:—

1852.....	£1798 6 6
1853.....	2441 5 6
1854.....	2385 19 6
1855.....	1576 14 6
1856.....	3841 11 6
1857.....	3669 15 0
1858.....	4133 15 6
1859.....	4954 9 3

£24,801 17 3

The revenue so collected went to pay interest due on debentures, but was insufficient for this purpose, and the deficiency was made up from Harbor Revenue. The following table will shew the annual amount of said deficiency:

1852.....	£ 686 14 6
1853.....	383 11 4
1854.....	1266 14 4
1855.....	3660 2 4
1856.....	2817 8 10
1857.....	5817 1 1
1858.....	6826 18 4
1859.....	7527 11 8

Amounting in all to..... £28,986 2 5

The last interest paid by the Trust was \$26,434.62 on the 5th January, 1860, since which time the Government have paid the interest. There being no surplus revenue, no sinking fund was formed.

3rd. "By the agreement with the Harbor Commissioners in 1860, did the Government assume the repayment of interest hitherto paid on them due on the debentures issued for the lake and river debt of £170,000, or what was the nature of the agreement on these points?"

Ans. The assumption of the Lake St. Peter debt by Government, as explained in my letter of 24th instant, occupied the attention of the Commissioners from 1855, and numerous memorials and petitions from the Commissioners and city authorities were presented to the Government on the subject, and a meeting held on the 7th April, 1860:

PRESENT.

H. H. WHITNEY, (*Chairman.*)
C. S. RODIER, Mayor of Montreal,
A. M. DELISLE,
Hon. JOHN YOUNG.

The following is an extract:

"The Honorable A. T. Galt, Minister of Finance, attended the meeting, and the subject of the debt incurred for deepening the channel in Lake St. Peter and the River St. Lawrence was fully discussed, as was also the question of its assumption by the Government."

"Mr. Young then suggested that in his opinion the proper course to be adopted was for the Government to assume the debt, and to advance the sum of £40,000 for the Harbor Commissioners, to go on with the work in the ship-channel, and that they (the Commis-

sioners) should also receive back from the Government the whole of the dredging plant for that purpose ; and further, that the Commissioners should then borrow the balance necessary to bring the work to final completion." To this Mr. Galt expressed his assent, and stated that, without pledging the Government to any course, the matter should on his return to Quebec, be immediately submitted to the Government." And again, at a meeting specially called on the 23rd May, 1860, to meet the Honorable Mr. Galt, Finance Minister, the Commissioners were informed by that gentlemen, that the following was the determination arrived at by the Government :—

1st. " That the tonnage dues on vessels passing through Lake St. Peter are to be abolished from and after Saturday the 19th instant, and that the Secretary do intimate to the Collector of Customs at this Port, that, while he continues to collect such tolls until further instructions, and pending an Order in Council which will shortly be issued, he will inform parties that payments made from and subsequent to the above named date will be refunded to them."

2nd. " The interest on the amount of the debentures, £170,000, issued for the lake debt will be provided for by the Government on timely notice being given to the Receiver General by the Secretary of the Commissioners."

3rd. " The works for deepening the ship-channel now appertain to the Department of Public Works, but are to be conducted by, and carried on as heretofore, under the direction of the Harbor Commissioners of Montreal."

4th. " The Government will furnish the Trust with funds to the extent of £40,000 to continue these works, about £17,000 of the above amount will be furnished this year on timely notice being given by the Secretary to the Receiver General when such may be required."

5th. " All the Harbor Commissioners' plant, heretofore conveyed to the Government, will be re-conveyed and handed over to the Harbor Trust, by deed to be arranged by the Honorable the Commissioner of Public Works on behalf of the Government."

6th. " The sum of £15,000 paid to the Harbor Commissioners last year by the Government as sale to them of the above mentioned plant, does not form any part whatsoever of the sum of £40,000 which the Government, as above stated, agree to pay the Commissioners for carrying on the lake and river works."

7th. " The Government will redeem the Lake St. Peter debentures as they fall due."

These Minutes of the Board in reference to the agreement between the Commissioners and the Government, as represented by the Finance Minister, the Honorable A. T. Galt, were confirmed in a letter dated Quebec, 17th October, 1860, received from the Department of Public Works, in which the Secretary states, " I have the honor to enclose a copy of a memorandum prepared by the Deputy Commissioner, shewing what were the terms of the agreement entered into between the Government and the Harbor Commissioners, according to the views of the Honorable the Minister of Finance, as he was understood by the Deputy to explain them."

The following is a copy of the above document so enclosed,

MEMORANDUM.

" Shewing the understanding had with the Government on the 23rd May, 1860, in regard to the Lake St. Peter debt, and the completion of the works."

1st. " That the tonnage dues on vessels passing Lake St. Peter are to be abolished from and after the 19th May, 1860, and that the Secretary of the Harbor Commissioners do intimate to the Collector of Customs at Montreal, that while he continues to collect such tolls, until further instructions, and pending an Order in Council, which will shortly be issued, he will inform parties that payment made from and subsequent to the above named date will be refunded to them."

2nd. " The interest on the amount of debentures, £170,000, issued for the Lake St. Peter debt, will be provided by the Government on timely notice being given to the Receiver General by the Secretary of the Harbor Commissioners."

3rd. " The works for deepening the ship-channel, now appertain to the Department of Public Works, and are to be executed under a control with that Department by the Harbor Commissioners, who shall conduct the operations, and oblige themselves to complete the channel to 20 feet throughout, to the satisfaction of the Department of Public Works."

4th. "The Provincial Government will furnish that Trust with funds to the extent of £40,000 to complete these works. About £17,000 of this amount will be furnished this year on timely notice being given by the Secretary of the Harbor Commissioners to the Receiver General, when such may be required, accompanied by a proper certificate of the rate of progress, shewing that that amount has actually been expended on the works."

5th. "All the Harbor Commissioners' plant, heretofore conveyed to the Government, will be re-conveyed and handed back to the Harbor Trust by deed to be arranged by the Honorable the Commissioner of Public Works, on behalf of the Government."

6th. "The sum of £15,000 paid to the Harbor Trust last year by the Government, as sale to them of the above mentioned plant, does not form any part whatever of the sum of £40,000 which the Government, as above stated, agree to pay to the Commissioners for completing the lake and river works."

7th. "The Government will redeem the Lake St. Peter Debentures as they fall due."

"The above are the terms of the agreement that was entered into between the Government and the Harbor Commissioners of Montreal, according to the views of the Honorable the Minister of Finance, as he was understood by the undersigned to explain them."

(Signed,)

SAMUEL KEEFER,

Deputy Commissioner, Public Works.

Quebec, 12th October, 1860.

Superintendent's Report on the operations for improving the Ship Channel in Lake St. Peter and River St. Lawrence during the year 1857.

SIR,—The operations for the past season being now closed, I beg to report to you, for the information of the Harbor Commissioners, the result of the year's work.

On the 23rd April last, I proceeded to Montreal with the steamer St. Lawrence, when I received the Log Book from the acting Superintendent and took on board provisions and other necessities for outfit, together with a part of the machinery of the new dredge; on the 27th I towed dredges Nos. 2 and 3, with their scows to the depot at Isle aux Corbeaux, and the following day left with dredge No. 4 and the necessary accompaniment for Lavaltrie, and from thence proceeded to the Lake, when in company with Mr. Forsythe, the Harbor Engineer, proceeded to sound and mark out the channel with poles as far as the English bank, and then placed buoys along the line. On the 30th, No. 3 dredge commenced work on the slip, left the previous fall in the upper traverse, and No. 2 commenced adjusting irregular cuts along the side of the channel, but from the extreme high water she could not prosecute that regular work before the 11th June, having only made 3 days' work each up to that date. In the meantime I employed all the people on board the new dredge, and in repairing scows as well as the wharf at the depot on the Island. I also took advantage of this interval to examine the Verchères channel and mark out the places for buoys.

On the 11th June, in sounding the channel in the lake I found a space of 600 to 700 feet across the channel, and I set No. 3 dredge to work in deepening this space to 20 feet. I placed No. 2 opposite Machiche to widen and trim the channel, and at the same time to deepen it; after which I removed the two dredges to the lower end of the lake, where they continued to work, excepting when prevented by rough weather, until the 7th October, when No. 2 broke her shaft and tumbler, and did not again commence work until the 9th November. In the meantime No. 3 continued working in the lake up to the 26th October, when I proceeded with the whole force of the Company to work in the Harbor of Montreal.

The dredges employed in the lake have lost much time and have been greatly retarded during the season by the prevalence of strong westerly and south-westerly gales, during which it was quite impossible to work; they have, however, notwithstanding these interruptions (and taking into consideration the great depth of water in which they had to work) done a good season's work, having removed 5,995 scow loads of material, equal to 419,650 cubic yards, one working 109 and the other 96 days, and with no other material breakage than that above mentioned to No. 2.

The upper traverse is now completed to 20 feet deep for the full width of the channel to within a few hundred yards of the upper light and it would have been finished had not the

other dredge been dragged away from her position by a raft, and I did not think it desirable to replace her at that time as there was the same depth of water over the remaining portion as many other parts of the channel.

It would be difficult to state exactly at the present moment how much of the channel through the lake has been deepened to the full required depth, in consequence of some inequalities which existed in the depth of the channel and on its edges; we were continually removing the dredges from place to place to give as much as possible a uniform depth throughout, and from our being obliged so frequently to lift and lower the bucket frames in cutting off the jagged ends on both sides of the channel we necessarily not only lost a great deal of time, but were prevented working regularly down to 20 feet the full depth required for the channel.

At Lavaltrie, No. 4 dredge, for the same cause that prevented the early working of the dredges in the lake, could not commence work before the 12th June, from which time up to the 29th October she continued dredging, and cleared the channel from the middle of the Island to the entrance of the Verchères channel to 20 feet in depth and 300 feet in width. She also removed the only obstacle formed in that channel, making in all 1257 scow loads equal to 37,710 cubic yards of material in 112 working days, and then proceeded with the other vessels to work in the Harbor of Montreal. This dredge, as well as No. 1, while working at Pointe aux Trembles met with a great deal of detention from rafts so frequently coming in contact with them. There remains very little to be done at Lavaltrie and I think it will not require more than 3 weeks next spring to clear the channel to the full required depth and width at that place.

The new dredge No. 1 was finished and commenced work at Pointe aux Trembles on the 1st July where she continued to work up to the 29th September, clearing all the obstructions in the channel there to 20 feet in depth, and removing 1031 scow loads of material, equal to 30,930 cubic yards, after which she proceeded to work at Montreal where she continued for the remainder of the season.

In the Harbor of Montreal the spoon dredge commenced work in the beginning of May, but lost nearly one-third of the whole season from breakages in her machinery. No. 1 dredge commenced work on the 1st October in the Queen's basin on a bed of rocks and boulders, which she did not quite finish before the close of the season, having removed 134 scow loads equal to 4020 cubic yards. Nos. 3 and 4 also commenced working in the Harbor on the 29th October, and No. 2 on the 9th November. No. 3 was first placed below the long wharf, but finding too many stones for her quick speed to work advantageously I removed her to opposite the Bonsecour market, so as to cut off the point of the bank at the buoy and make a straight channel, taking out 78 scow loads or 5,460 cubic yards. No. 4 succeeded No. 3 below the long wharf, where she continued for the rest of the season, removing 45 scow loads of material equal to 1350 cubic yards; and No. 2 took up her position opposite the Island wharf, where she worked until the close of the season, having removed 40 scow loads or 2,800 cubic yards. The wear and tear to the dredges No. 2 and 3 during the time they were at work in the Harbor were very great, their quick speed not being adapted to working amongst the rocks and boulders they had to encounter there.

The four dredges have thus removed, during the working season of 1857, 8,580 scow loads, equal to 501,920 cubic yards of material, which 419,650 were removed in the lake and 82,270 at Lavaltrie, Pointe aux Trembles and in the Harbor of Montreal, this is independent of what the spoon dredges has removed, the report of which will be furnished by Mr. Forsythe, the engineer of the Harbor.

The machinery of the steamers and dredges is now undergoing the necessary repairs at Sorel by the engineers and workmen employed on board these vessels, and it will be all put in perfect order for spring operations.

The spoon dredge has been hauled out by the Messrs. McCarthy at Sorel, and is now undergoing a thorough repair both in her hull and engine; she will be much stronger, and from the improvements making in her, she will be worked next season to much greater advantage, and with less liability to accidents. The necessary repairs to the scows will be attended to in the spring before they will be required for service.

I would propose, as soon as practicable on the opening of the navigation next spring, to place dredges Nos. 2 and 3 at the lower end of the lake and keep them steadily working up, making the channel clean through 20 feet deep and 300 feet wide; to prevent any possibility of mistake in the different sections and should the water permit, I would place No. 4 to finish

at Lavaltrie, and then proceed to Montreal to join No. 1 and occupy the places in the Harbor left by them last fall.

The spoon dredge will be placed to finish Queen's Basin in the Harbor of Montreal. The quantity of coals used by the vessels this season has been 2,391 chaldrons, the total quantity received together with what remained on hand last spring amounted to 4,609 chaldrons, leaving 2,218 chaldrons at the present time at the depot at Isle au Corbeau, which should be sufficient to keep the vessels supplied until the month of September, next.

In concluding the report of my labours for the past year, that I have acted as Superintendent for the Harbor Commission, I avail myself of this opportunity to render my best thanks to Mr. Forsythe, engineer for the Harbor, for his valuable advice and assistance during the season, and to yourself for your kindness and attention to all my wants and suggestions, and,

I remain, Sir,

Your obedient servant,

(Signed,)

C. L. ARMSTRONG,

Superintendent.

ALEX. CLERK, Esq.,

Secretary, Harbor Commissioners,

SOREL, December 31st, 1857.

SOREL, 22nd December, 1858.

SIR,—I have to submit the following report on the works carried on during the past season for the improvement of navigation from near Three Rivers upwards.

On the 19th April, dredge No. 1 was placed in the Quebec Basin, Montreal, where she dredged to 20 feet at low water, with the exception of a small piece in the line with the stone placed on the wharf for the accommodation of ocean steamers, which stone prevented my placing anchors and chains to enable the dredge to complete the last mentioned piece, the bottom of the basin is rocks and the dredging having cost much time and trouble, as the wear and tear of the buckets is much greater than could be supposed.

Desirous of deepening this Basin as soon as possible, I placed the spoon dredge there also, but finding she did no good, she was removed to the shoal at the entrance of the Sydenham basin and put under the management of the Harbour engineer, as he required certain places to be dredged so as to enable him to put down his crib work for the new wharves.

Dredge No. 4 was anchored off Victoria Pier to widen and deepen the channel by cutting off the point at the buoy which extended from 50 to 75 feet; in some places a cut of 9 feet deep was required to obtain 18 feet at low water. The dredge remained in the same direction of work up to the 26th November.

On the 19th October, dredge No. 1 was removed to below Victoria Basin, and remained there till her departure for Sorel. The earth excavated was used to fill up the Military and new wharves. As the contractors could not get men to work late in the evening and in bad weather, there was a good deal of time lost, and the dredges have not done as much as they might have done, but all that could be accomplished has been.

Lavaltrie.—Having completed the channel of 18 feet in Lake St. Peter, Nos. 2 and 3 were, on the 21st August, removed from Pointe du Lac to Lavaltrie; No. 2 was placed on the shoalest water that could be found, say 17 feet, and No. 3 where the work had been left off the year before by Captain Hart. The dredges were kept at work till the latest period to permit their being hauled up for repairs; their anchors were left so as to enable them to take up the exact position they occupied on their removal. The bottom is hard pressed clay. The dredging required at Lavaltrie to complete the channel will be accomplished in a very short time.

Lake St. Peter.—Having taken soundings, dredge No. 2 was anchored, on the 24th April, a little above the white buoy in 24 feet of water, dropping on her chain a few yards,—we found 22 feet in the channel. No. 3 was placed a short distance below. For the space of about 3 miles the channel was from 200 to 250 feet wide, but not of the required depth; it has since been deepened to a uniform depth of 18 feet and of the width of 300 feet. On the 24th July the dredges were removed to Pointe du Lac to deepen the channel to 18 feet and cut off a point to enable vessels to turn in a deep hole of about 6 to 700 feet wide near light house No. 3.

I have discovered several little inaccuracies in the Verchères channel, one at Cap St. Michel, another at Isle de Larier, where a buoy was put down last year. The removal of these "pouliers" will improve the entrance to the new channel.

I do not expect to be more than six weeks in completing the work required, after which I propose taking down one of the dredges to Levrard to cut the small shoal at that place, and perhaps remove a shoal marked in Captain Bayfield's chart near the channel with only ten feet water on it; I will then commence the 20 feet channel at Pointe du Lac and continue upwards.

The stone-lifter now building I propose placing at the end of Victoria Pier and keep her at work for some time in the Montreal Harbour, and when the great bulk of the rafts have passed down she will be removed to Cap à la Roche for the remainder of the season, with the Oregon as her tender.

I am sorry to say that scarcely a sound timber is to be found in dredges 2 and 3, which are hauled out; heavy repairs are also required to be done to the scows, they and the dredges are 14 years old; it is therefore not surprising that they require a large outlay, all which will be done with all possible economy. The buckets are being made in our own blacksmith's shop; as many of our efficient hands were in want of employment, I have given them the drilling of the buckets at the low price of 20 cents per rivet.

Dredges Nos. 1 and 4 employed in the harbour have removed, the former 751 scow loads of material and 102 tons of stone, the latter 516 loads and 392 tons of stone. No. 2 removed during the season 4,644 loads, and No. 3 removed 3,873 loads. Taking into consideration the increased depth of water in which the dredges work, and the trimming up of the channel, these figures shew a good season's work. A stone-lifter would have greatly assisted dredges Nos. 1 and 4.

In conclusion, I am happy to say that there has been no detention during the past season, and all has gone on as favorably as could be expected.

I remain, Sir,

Your obedient servant,

(Signed,)

C. L. ARMSTRONG,

Superintendent.

ALEX. CLERK, Esq.,
Secretary, Harbor Commissioners,
Montreal.

CAP ST. MICHEL, June 30th, 1859.

ALEXANDER CLERK, Esq.,
Secretary, Harbor Trust,
Montreal.

SIR,—I have to submit the following report of operations since the opening of the navigation :

Dredges No 1 and 4 were filled with coal, brought from Messrs. Gibb & Ross in Sorel.

On the 15th April, I commenced removing vessels and taking in anchors; on Monday, the 18th, the steamers "St. Lawrence" and "St. Peter" left early with the Montreal fleet, got in during the night and were given over to Mr. Forsythe, Harbor Engineer.

On the 20th I despatched the "St. Peter" to lay down the buoys in the lake, on the same day, Dredge No. 3 was launched from Mr. McCarthy's yard, all the hands of the "St. Lawrence" were immediately put on board of her to fit up her engines. Dredge No. 2 was launched on the 23rd, and the stone lifter on the 30th. On the 2nd May, Dredge No 3 was towed up and placed in the spot she had left her anchors and chain last fall, so as to finish the "poulier" in the traverse from Lavaltrie to the Verchères Channel, which had only 16'3 upon it; 6 scow loads were removed.

On the 3rd May, Dredge No. 2 left to take up the chain at Lavaltrie, where it had also remained during the winter, and has ever since been working upwards, cutting off shoals, and small lumps; the greatest part of the Channel at Lavaltrie is cut down to 20 feet, and no part less than 18 feet. This dredge will remain in the neighbourhood all July.

As soon as No. 3 had completed the dredging of the traverse, she was placed on the Varennes "poulier" where we found in the buckets pieces of copper from off the ships' bottoms; 38 scow loads were removed from that place. From thence the dredge was dropped down

half way, that is, on a line with the lights on Isle Ste. Thérèse, where the channel was 6 feet 6 inches deep. Before the place was dredged we had to carry out our anchors twice in that place. We found large stones mixed with blue clay and coarse sand. The middle bank being dredged, the vessel was put on the point of Isle de Laurier, where the dredging was very difficult, owing to the set of the current to the south from the upper part of the island. So in all the above places there is now a channel of 20 feet deep, gained at a good deal of expense and with some trouble. In those places we had 262 scows.

On the 21st June, Dredge No 3 was removed to Cap St. Michel to cut a point of nearly 70 feet, and to deepen to 20 feet, so that it would not be necessary to send back my dredge to have the channel of that depth throughout.

In sounding the windmill shoal so much spoken of by the pilots, I found a good channel to the north; by placing three buoys on the middle ground, vessels may pass on the south side where the channel is 18 feet deep, on the north where it is 25 feet.

Dredge No. 3 will be sent to the traverse at Batiscan, as soon as the work is completed at the Cap the stone lifter will be employed at Cap à la Roche. The dredge will be furnished with a rudder made of pine, and the stone lifter with a breakwater of 7 feet, which will be put on when they are on their way down.

I have to remark that in our proposed sphere of operations, it will be very inconvenient to have our fresh meat from Montreal, and I have to ask to be permitted to buy the meat, &c. which may be required here. I would also recommend that the Oregon be supplied with wood which can be had at a cheap price on the banks of the St. Lawrence, near the work; as it would be very inconvenient to be obliged to have coal there.

I am happy to say that every thing has gone on well with the exception of the lifting gear of Dredge No. 3, which has detained us four days.

I am, Sir,

(Signed,)

Respectfully Yours,

C. L. ARMSTRONG.

SOREL, 15th December, 1859.

ALEXANDER CLERK, Esq.,
Secretary Harbor Trust,
Montreal.

SIR,—I beg to lay before you, for the information of the Harbor Commissioners, a further statement of our work since my last report.

I placed Dredges Nos. 2 and 3 at Lanoraie to deepen the channel to 20 feet, to meet the improved one in a line with the Lavaltrie light; we removed from that place 337 scow loads small stones, gravel, and coarse sand; below 17 feet we found all blue clay; we left the anchors of Nos. 2 and 3 to be ready in the spring. I must say, during our stay in that place we lost some time, owing to gales of wind so frequent this fall. When this place will be completed, which will not take a long time, vessels will come down through the flat islands as well by night as by day with a draught of 18 feet.

The result of this season's work should, in my opinion, be highly satisfactory to the Commissioners, to see their plan of a 20 feet channel drawing to a successful close. Dredge No. 2 has excavated 1834, and No. 3, 1492 scow loads. I may remark that this amount appears trifling compared with the work performed in former years, but this is easily explained, when we take into consideration the vessels are now dredging in 20 feet water instead of 11 feet, and that they are often employed in cutting off angles, and that in so doing, the buckets do not all come up full, and that there is also a loss of time in removing them from place to place.

I am, Sir,

(Signed,)

Your obedient servant,

C. L. ARMSTRONG,

Superintendent.

Extract from Annual Report of A. G. Nish, Esq., Engineer Harbor Commissioners, dated 4th February, 1867, having reference to Lake St. Peter.

LAKE OPERATIONS.

On the 21st March last I received a letter from you instructing me that all the dredging by the Harbor Commissioners would in future be under my Superintendence and that I was to proceed to Sorel at once, &c., &c.

On the 31st March, I wrote you the result of my visit, with suggestions which were immediately acted upon by my proceeding to Sorel and commencing to fit out the vessels for work. I commenced on dredge No. 3 as she was the vessel I had selected for this work, with the steamer "Lake St. Peter" as tender; and had all ready by the 20th May when I placed her upon the shoal formed by a tongue of land near the turn of No. 1 light; the reason for my placing her there in preference to the spot where the ship "Ocean" grounded the previous fall, was on account of the extreme height of the water, and as both had to be removed I selected the spot most advantageous. We worked here up to the 11th August, having completed the removal of the only remaining barrier to a free and uninterrupted channel of 20 feet at low water between Quebec and Montreal, thus completing one of the most important of the many public works of the Province and of which I feel proud of having been connected with.

We removed during the time we worked here 42,200 cubic yards of clean brown sand, of a very coarse nature showing it to be a substance foreign to the flats of the lake, and of a much more difficult nature to remove on account of its not washing and sliding out of the shute like the ordinary material, however, as it had to be removed I had to go to the greatest precautions in repairing the gates of the scows, but by steady perseverance we succeeded, and on the 13th August we bid good bye to Lake St. Peter *en route* for Montreal, where No. 3 was put out of commission, and in a few days as the Commissioners are aware, the tender was disposed of. The whole cost of the Lake works this season, including spring outfit, has been \$6,658.15 making the average cost about 15 cents per yard.

I propose going to Boucherville, &c.,

HARBOR COMMISSIONER'S OFFICE,
Montreal, 29th December, 1868.

JOHN PAGE, Esq.,
Chief Engineer, &c., &c.
Ottawa.

SIR,—In reference to your enquiry as to the disposal of the Plant not required by the Harbor Commissioners, after the completion of the ship channel between Montreal and Quebec at the close of the season of 1865,

I beg to state for your information, that in January, 1866, the following resolution was adopted by the late Commissioners :

It was moved by the chairman and resolved:—"That in consequence of the completion of the works for improving the navigation of the river between Montreal and Quebec, and after careful consideration of the policy which should be pursued for the further improvement of the Harbor, it is deemed advisable to sell, by public auction or otherwise, the following vessels, viz:—Steamers "St. Lawrence," "St. Peter," "Montreal," and "Bell;" Dredges Nos. 2 and 4; Barges "Whitney" and "McCarthy," 2 large scows and 3 small scows; provided said vessels do not sell for a less sum than is hereinafter named:—Steamers "St. Lawrence," \$4,800, steamer "St. Peter," \$10,000; steamer "Montreal," \$4,800; steamer "Bell," \$1,500; Dredge No 4, \$5,500 and Dredge No. 2, \$6,000, each of the above vessels to be sold with anchors, chains, and other effects, as shown by inventory."

"That for the purpose of widening the channel in the Harbor, and further deepening it, the dredges Nos. 1 and 3, and 5 scows be retained by the Commissioners, and with the view of economizing the use of coal, it is hereby decided that one or two small high pressure steamers be purchased at Buffalo or elsewhere, or if deemed more advantageous, chartered, as tenders for the dredges, and if necessary purchase or build a spoon dredge.

The present Commissioners on taking office carried out the recommendations of the above

resolution, as far as possible; they advertized for tenders for the plant which resulted in the sale of the following vessels, viz:—steamer “Montreal” for \$6,000, steamer “St. Peter,” \$11,000,* steamer “St. Lawrence,” \$4,800 and barge “Whitney” for \$250.

The Commissioners subsequently made an exchange of plant with Mr. John Brown, giving him such vessels as they had no further use for, and receiving from him valuable plant suitable for carrying on the improvements in the harbor.

Received from Mr. Brown,

Spoon dredge No. 2, valued at.....	\$8,500 00
Steam Derrick.....	1,500 00
Steam Tug “John Brown,”.....	4,500 00
2 Scows.....	500 00

\$15,000 00

Given in exchange

Dredge No. 2, valued at.....	\$6,500 00
do 4, do.....	6,000 00
Steam Tug “Bell”.....	1,500 00
Cash.....	1,000 00

\$15,000 00

The Commissioners have now on hand the following plant, which is being used in the improvement of the Harbor, by deepening the channel and Basins within the same, so as to correspond with the improved channel to Quebec, viz:—

Steam Derrick valued at.....	\$1,500 00
Dredge No. 1.....	6,000 00
do 2.....	8,500 00
do 3.....	6,000 00
Tug “John Brown”.....	4,500 00
Stone Lifter.....	1,500 00
6 Scows.....	2,000 00

\$30,000 00

The above sum of \$30,000 has been credited in the books of the Trust, to Lake and River operations, leaving a large amount contributed from the revenues of the Harbor of Montreal towards this improvement as shewn by the statements already furnished you.

I have the honor to be, Sir,

Your obedient servant,

(Signed,)

H. H. WHITNEY,

Secretary.

MONTREAL, November 16th, 1868.

JOHN PAGE, Esq.,

Chief Engineer, Public Works.

SIR,—Agreeably with your request I now hand you a statement of the dimensions, tonnage and draft of water, of the largest steamers forming a portion of our line trading to the St. Lawrence.

And I avail myself of this opportunity, in compliance with your desire, to lay before you the facts connected with the navigation between Quebec and Montreal, derived by us from the constant passage of our vessels up and down the river.

It should be borne in mind that, when the determination to deepen the Lake was first seriously entertained, it was under very different circumstances from those which obtain at the present day. At that time a ship of 500 tons was considered quite size enough for the trade, and our first steamers of 1784 tons were regarded as of sufficiently large dimensions. The proposal to deepen the lake to 20 feet, was looked upon as likely to be all that was required for many years.

* NOTE.—A short time after the sale of this vessel to Mr. Gingras of Quebec, the “St. Peter” came in collision with the S.S. “Secret” and was sunk in Lake St. Peter, causing a loss to the Commissioners of \$2,750, as they were obliged to compromise with the party who purchased her.

But a wonderful change has taken place in the trade since that time. The necessity of competing with New York for the carrying business, has compelled the employment of sailing ships of about 1000 tons; and the steamers we are now putting on the route are all of 3,000 tons and upwards. These sizes are more likely to be increased than diminished, in every succeeding vessel.

The Province, however, cannot derive the full benefit of the reduction in freights which must follow the employment of these large vessels, until the navigation admits of their bringing, without any expense of lighterage to the furthest available point, ships of as large size as those trading to New York.

That this is not the case at present, is manifest from the statement I now send you, and it is quite evident that the full advantage will not be obtained without large additional deepening of the river and lake.

The experience of the last few years demonstrates that, while a sailing ship in tow can pass through the narrow deepened channel, loaded to within a few inches of the depth of the water, a steamship propelled by her own power, and going at full speed, requires to have two feet, or more, in addition to the water she draws. It seems as if she pushed the water away faster than it returns to her, because, we find that, if she draw 17 feet, with 19 feet in the channel, she will, when going at full speed, be grazing the bottom; while if the engine is stopped, she is quite afloat. It is manifest, therefore that to allow a steamship drawing 23 feet to pass in a narrow channel, a depth of 25 feet is necessary and that ought now to be the least measure of our desires.

Our recently built steamers are about 350 feet long, and the breadth of the cut-channel in the lake is only 300 feet: if, therefore, by any accident, one of them was to turn across the channel, the entire navigation would be interrupted, and as such an occurrence is by no means improbable, the channel should be widened to a breadth of 500 feet.

From the statement submitted, you will notice that if the steamships named, had all been running and fully loaded, inwards and outwards, the expense of lighterage for one round voyage, of the eleven therein named, would in the state of the river this season, have been above \$20,000; and if each had made several such voyages this season, as they might have done, the cost would have amounted to a very large sum. This is apart from the question of damage to goods transhipped into lighters, which is always more or less considerable.

In the actual state of the trade as it existed, this has only partially been the case; the steamers not having obtained full cargoes to or from Montreal, either outwards or inwards. We hope this will not always be the position of affairs, on the contrary we expect to see such an increase of the trade, as will tax the channels, even when improved to their greatest capacity.

It is quite evident that this work should be done at the expense of the Government of the Dominion. The present cost of lighterage is necessarily added to the freights, which would otherwise be charged; and as a heavy establishment of lighters and tow boats is required to carry on a line of large steamers, it must tend to prevent single steamers of adequate size from entering into the trade. A considerable proportion of the freight carried is to and from the western part of the Dominion, and as the matter at present stands, it probably pays more than its share of the expense.

After leaving Quebec, the first difficulty we experience is at Cape Charles, about 60 miles up the river. The bottom is here strewn at irregular intervals with large boulders, standing some of them as much as 3 feet above the bottom surface. At low water there is as little as 15 feet on some of them.

Although the water does not run up at that part of the river, there is a rise and fall of tide to the extent of about 5 feet. It is therefore only at high water and in daylight, that a loaded steamer can pass, and if the tides happen in the morning and evening, the period at which this point can be passed, is limited to 1 hour in 24 hours. A stone lifter should be employed to weigh these boulders and carry them to one side, clear of the main channel.

We regard this as the most dangerous part of the navigation above Quebec, as a steamer might undoubtedly be sunk by striking one of these boulders.

The same remarks apply, but in a lesser degree to Cape à la Roche, a few miles further up, where similar action is required. At Cap Lévrard, where the channel crosses to Batiscan, there is a shoal in the centre of it, with a narrow passage on each side. This shoal should be

removed, and until that is done, a better system of buoying the channel at this place should be adopted.

No further difficulties occur until we reach Lake St. Peter. Here, as I have already said, the channel should be deepened to 25 feet, and widened to 500 feet; and in doing so, the sharp turns in it should be taken away, and the channel as much as possible straightened.

The next shallow place is at the Flat Islands, about 15 miles above Sorel. This will require to be deepened and widened in the same manner as the lake; and at the crossing below Varennes some dredging will have to be done.

The shallowest part of the whole channel is at Pointe aux Trembles, about ten miles below Montreal. Here there is a stony shoal in the channel, on which there is about 19 feet at the period of low water in summer. Nearly every vessel strikes on this shoal.

A former set of Harbor Commissioners cut a channel through a spit on the south side, but though well enough known to the pilots, they unanimously refuse to make use of it, in consequence of the sudden turn with which it crosses the course of the current at the lower end. Owing, I suppose, to this, it has not so far as I know, ever been buoyed by the Trinity House, who have charge of such matters.

The Harbor of Montreal itself, and probably one or two spots above Longue Point, next claim our attention. The passage from the end of the long Bonsecours wharf to the upper part of the harbor would require much dredging, both in width and depth. Indeed I am of opinion that to make the harbor what it ought to be, the exclusive services of a dredge will be required in it for several years; and if a depth of 25 feet is to be secured, a facing of crib-work may have to be put round the present wharves.

You will, by this time have found by your survey, that the statement of the existence of a deep water channel in the river, known only to one or two individuals, is entirely groundless. We ourselves have brought up from Quebec to Montreal, and taken down again this season 62 steamships, and 27 sailing ships. This is nearly equal to a vessel passing up or down every day during the time the navigation has been open, and every one of them has passed through the entire length of the only available channel, except the short distance at Pointe aux Trembles, which the pilots declare to be impracticable. The depth of water in a channel is the depth at its shallowest point; and we have been able to pass our sailing ships this season at about 19 feet, and our steamships at 17-6 draft of water.

Before closing this letter, I desire to urge the passing of a measure through the Legislature, to amalgamate the Trinity Board, and the Harbor Commissioners, in the manner proposed in the petition of the merchants of this city, sent to the Government last summer. A vigorous and concentrated management of the river and harbor, can only, I am persuaded, be obtained by the plan proposed, or one of a similar character.

I have the honor to be, Sir,

Your obedient servant,

(Signed,)

HUGH ALLAN.

STATEMENT shewing dimensions, tonnage, &c., of the Steamships of the M. O. S. S. Company's Mail Line, together with Expenses of Lighterage between Quebec and Montreal, based on a mean draft of 17 feet 6 inches.

NAME.	Length.	Breadth.	Depth.	Gross Tonnage.	Cargo capacity exclusive of coals.	Draft water loaded without coal.	To lighten to 17. 6.	Tons to lighten to 17. 6.	Cost of Lighterage for Round Voyage, including labor.
	ft. in.	ft. in.	ft. in.	tons.		ft. in.	ft. in.	tons.	\$ cts.
Scandinavian	340 0	40 0	27 6	3,100	3,000	22 6	5 0	1,500	4,500 00
Prussian	330 0	40 0	27 6	3,000	3,000	22 6	5 0	1,500	4,500 00
Austrian	320 0	38 0	26 0	2,700	1,600	19 3	1 9	437	1,311 00
Germany	350 0	42 0	28 6	3,250	3,500	23 0	5 6	1,650	4,950 00
Nestorian	320 0	38 0	26 0	2,700	1,600	19 3	1 9	437	1,311 00
Peruvian	320 0	38 0	26 0	2,600	1,500	20 0	2 6	625	1,875 00
Moravian	320 0	39 0	26 0	2,650	1,700	19 6	2 0	500	1,500 00
Hibernian	315 0	37 0	26 0	2,434	1,500	19 0	1 6	375	1,125 00
Nova Scotian	310 0	38 0	26 0	2,300	1,600	19 9	2 3	560	1,680 00
North American	290 0	35 0	24 6	1,784	1,200	18 3	0 9	170	510 00
Belgian	295 0	36 0	25 0	2,400	1,500	18 0	0 6	130	390 00

RETURN

To an Address of the SENATE, dated 3rd June, 1869 ; For copy of a Report of John Page, Esq., Chief Engineer of the Department of Public Works, on the subject of a survey of Lake Saint Peter, in the Province of Quebec.

By Command.

HECTOR L. LANGEVIN,
Secretary of State.

DEPARTMENT OF THE SECRETARY OF STATE,
Ottawa, 16th June, 1869.

GENERAL STATEMENT

And Return of Baptisms, Marriages and Burials in certain Counties, for the year 1868.

R E T U R N

To an Address of the HOUSE OF COMMONS, dated 5th May, 1869; For a Return shewing the amount of money received by the Dominion Government from the Provinces of Ontario, Quebec, Nova Scotia, and New Brunswick, on account of the issue of Marriage Licenses, between the 1st of July, 1867 and the 30th of June, 1868, with a detailed Statement showing how such money has been expended, and the amount received from each Province respectively.

By command.

HECTOR L. LANGEVIN,

Secretary of State.

DEPARTMENT OF THE SECRETARY OF STATE,

Ottawa, 11th May, 1869.

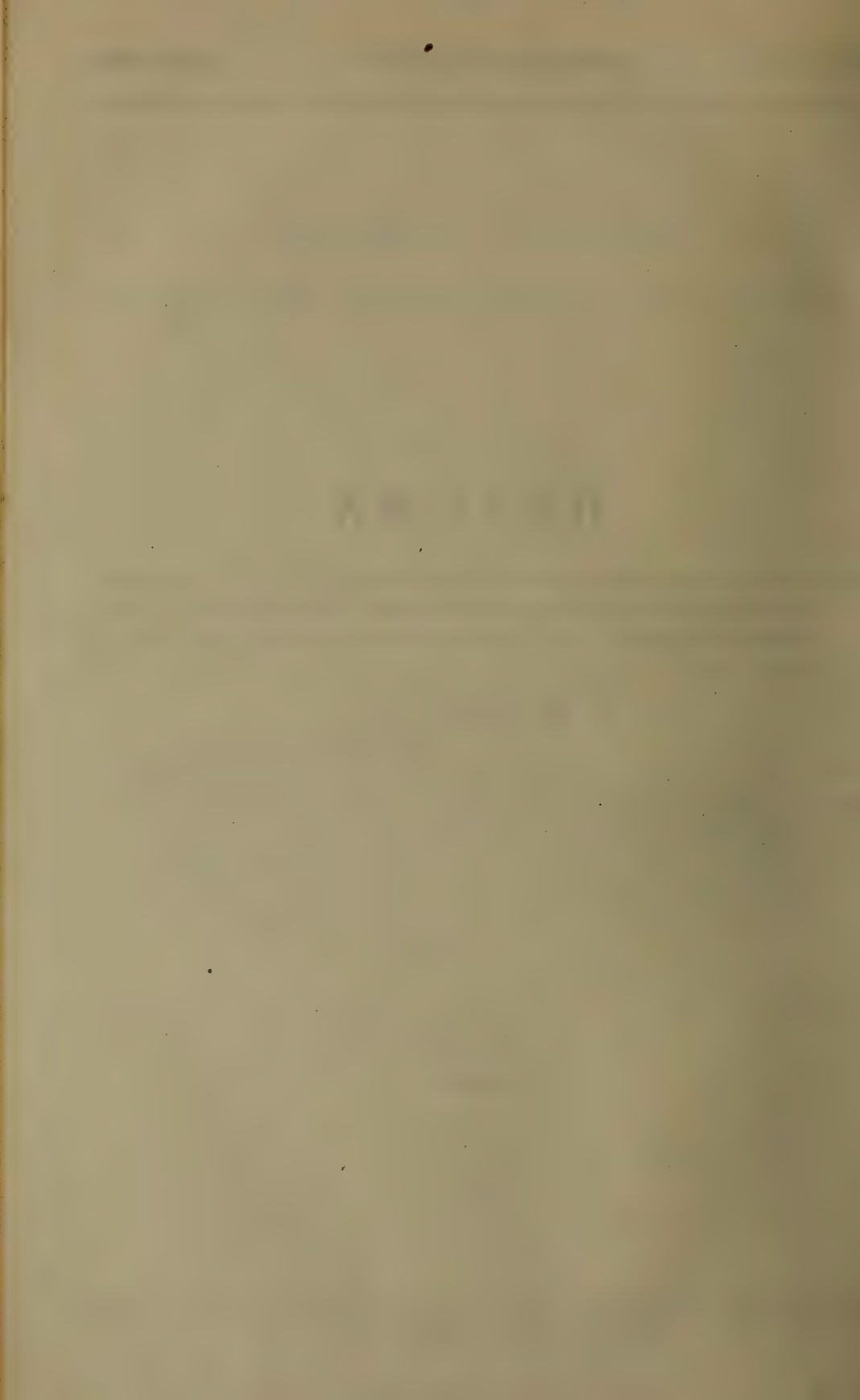
RETURN

To an Address of the House of Commons, dated 3rd May, 1869, for Copies of the instructions given to Mr. Page, Chief Engineer of the Department of Public Works, in reference to the Construction of the Bay Verte Canal, and his Report thereon.

By Command.

HECTOR L. LANGEVIN,
Secretary of State.

DEPARTMENT OF THE SECRETARY OF STATE,
Ottawa, 12th May, 1869.



RETURN

To an Address of the HOUSE OF COMMONS, dated 10th May, 1869; For Copy of Colonel McDougall's letter resigning his office of Adjutant General; and also, Copies of all correspondence, Orders in Council, or other documents relating to such resignation.

By command.

HECTOR L. LANGEVIN,
Secretary of State.

DEPARTMENT OF THE SECRETARY OF STATE,
OTTAWA, 12th May, 1869.

(Copy.)

CROWN LAW DEPARTMENT.

His Excellency the Governor General has had under his consideration, the finding of a Court of Enquiry on certain charges preferred against Brigade Major Lieut. Col. Shaw.

1. On the charges against Lt.-Col. Shaw, His Excellency is of opinion, that whilst that officer was authorized by the note of Lt.-Col. Jarvis to make the necessary arrangements and appointments for the inspection by the latter in his District, and may have supposed himself justified in informing Major Bowell that he had given ample notice to Lieut.-Colonel Jarvis of the period fixed for the inspection of the Belleville Battalion; yet, that it was disingenuous on the part of Lt.-Col. Shaw, not to have, in the same communication, stated to Major Bowell that Col. Jarvis had always assigned as a reason for his non-attendance at Belleville at the time appointed, that he had not received the letter of Col. Shaw, in which were stated the engagements made, until too late for him to reach Belleville for such inspection.

His Excellency thinks that Lt.-Col. Shaw is to be censured in this respect.

Upon a review of the whole circumstances of the case, however, His Excellency is pleased to remove the suspension of Lt.-Colonel Shaw from his office.

2. In reference to the position of Lt.-Col. Jarvis, His Excellency has much regretted to find that there is a material discrepancy between the note addressed by him to Brigade Major Shaw, instructing him to make the necessary arrangements for inspections, and the version of that note as given by Lieut. Col. Jarvis in his letter on the subject to the Adjutant General of Militia. The original note conveyed a precise intimation, but the statement of its contents subsequently made by Colonel Jarvis to the Adjutant General (Colonel MacDougall) imports a condition which was not to be found in the original, and which gave quite a different construction to the orders he had in the note itself expressed, the same being on the precise point in issue between Col. Jarvis and Col. Shaw.

3. His Excellency thinks it necessary to express his regret at the tone and style adopted by Major Bowell in his correspondence, and that, whilst holding a Commission in the Volunteer Service, and especially in the Regiment as to whose non-inspection by Col. Jarvis his complaints were made, the tenor of his correspondence was not more calculated to promote good feeling and the adjustment of the misunderstanding or difficulty which had arisen.

His Excellency desires that a copy of this order be communicated to each of the three officers mentioned in it.

Approved:

(Signed,) J. Y.

Ottawa, January 16, 1869.

10, CHARLES STREET,

St. James', London, Feby: 20, 1869.

SIR,—I have the honor to forward Copy of a Memorandum, dated Crown Law Department, Ottawa, January 16, 1869, relating to the proceedings of a Court of Enquiry, held in September, 1868, to investigate charges which it was my duty to prefer against Lt.-Col. David Shaw, of the Volunteer Militia, respecting which I submit respectfully the following remarks :—

I. In paragraph 1, it is stated that Lt.-Col. Shaw “may have supposed himself justified in informing Major Bowell that he had given ample notice to Lt.-Col. Jarvis of the period fixed for the inspection of the Belleville Battalion.”

The first charge which was presented for the investigation of the Court of Enquiry was, in substance, that Lt.-Col. Shaw had *falsely* informed Major Bowell that he had given ample notice to Lt.-Col. Jarvis of the period fixed for the inspection.

The Court of Enquiry was composed of five Lt.-Colonels of the highest standing and intelligence of the Volunteer Militia.

After careful consideration of the evidence, the unanimous *finding* of the members was to the effect, that if Lt.-Col. Shaw did make the statement to Major Bowell above specified, he did so with the knowledge that it was untrue, a *finding* which I consider was fully borne out by the evidence.

The Court of Enquiry found Lt.-Col. Shaw guilty on the *first* and *third* charges of “conduct unbecoming an officer and a gentleman.”

In the British army, an officer convicted on such charges would be considered unfit for the society of gentlemen, and his dismissal from the service would follow as a matter of course.

On the grounds above stated, I had no alternative but to recommend the dismissal of Lt.-Col. David Shaw from the service of the Canadian Militia.

II. With reference to the censure on Lt.-Col. Jarvis, justice to that Officer requires I should enter into some detail.

The censure appears to be based on the facts following, viz :—

That in June, 1867, Lt.-Col. Jarvis, being about to leave home on a tour for the inspection of the Volunteer Corps in Lt.-Col. Patterson's Brigade Division, wrote to Lt.-Col. Shaw, requesting he would draw out a programme for the inspection of the Corps in his (Lt.-Col. Shaw's) Brigade Division, and saying, in substance, that he would carry out such programme.

That Lt.-Col. Shaw drew out a programme accordingly ; that he warned the different Corps of the dates on which they were to be severally inspected ; but that he took no steps to acquaint Lt.-Col. Jarvis with the appointments he had made for him until *Monday afternoon* ; whereas, the appointment made by Lt.-Col. Shaw for the inspection of the Belleville Battalion was for the following *Tuesday morning* ; and that even then, instead of sending the programme to Lt.-Col. Jarvis at his house, Lt.-Col. Shaw committed it to the Post.

That in the same envelope with the programme of inspections was a note from Lt.-Col. Shaw, informing Lt.-Col. Jarvis that in order to keep the appointments made for the following day, (*Tuesday*), it would be necessary to leave Kingston by the train at 4 o'clock in the morning ; whereas, in due course of post, the letter could not, according to the finding of the Court of Enquiry, have reached Lt.-Col. Jarvis until the opening of the Post Office at a much latter hour.

That, as a matter of fact and within the cognizance of Lt.-Col. Shaw, the letter referred to in the last paragraph did not reach Lt.-Col. Jarvis until late on *Wednesday afternoon*.

That Lt.-Col. Jarvis only returned to Kingston from his inspections in the West on Monday evening.

That not finding anything from Lt.-Col. Shaw, he sent twice to Lt.-Col. Shaw's Office on *Tuesday*, and once on *Wednesday*, to ask what arrangements had been made for the inspections.

That not finding Lt.-Col. Shaw at his office on either day, he drove out on *Wednesday afternoon* for the purpose of calling on Lt.-Col. Shaw at his house.

That he then met Lt.-Col. Shaw driving towards Kingston, and learnt for the first time that appointments had been made by Lt.-Col. Shaw for the inspection of Corps, on Tuesday and Wednesday which it was then too late to keep.

Lastly, that in explaining to me, in an informal letter, the reasons why the inspections had not taken place at the times appointed; Lt.-Col. Jarvis, in describing the letter he had written to Lt.-Col. Shaw, said in substance he had informed Lt.-Col. Shaw he would carry out whatever arrangements the latter might make, if convenient; the two last words prescribing a condition of convenience not having appeared in the letter which he had addressed to Lt.-Col. Shaw.

This is the ground of censure respecting which I submit the remarks following, viz: Granting that Lt.-Col. Shaw was authorized to make the arrangements for the inspection of his Corps by Lt.-Col. Jarvis, there must always be a condition, understood if not expressed, to the fulfilment of any plan of action, viz: that such fulfilment shall be possible; and the failure of Lt.-Col. Shaw to make known the arrangements he had made rendered their fulfilment by Lt.-Col. Jarvis impossible.

The unconditional terms of Lt.-Col. Jarvis' letter may have excused Lt.-Col. Shaw for supposing himself authorized to arrange the different inspections without first submitting his programme to Lt.-Col. Jarvis, but it could not justify Lt.-Col. Shaw in informing Major Bowell, a year after the occurrence, that he had given Lt.-Col. Jarvis ample notice to enable him to keep the appointment made for him; when evidence was produced before the Court of Enquiry, in his own hand-writing, to shew that Lt.-Col. Shaw knew, so late as Wednesday afternoon, as a matter of fact, that Lt.-Col. Jarvis had up to that time received no notification of the appointments which had been made for that and the previous day at a distance from Kingston.

It is to be regretted that Lt.-Col. Jarvis' letter to Lt.-Col. Shaw was not more explicit; but it is hardly conceivable that he could have meant to promise an unconditional acceptance of Lt.-Col. Shaw's arrangements. The context of Lt.-Col. Jarvis' letter to myself would seem to imply that he wished Lt.-Col. Shaw, on account of his knowledge of the localities, to draw out a programme of routes and inspections for Lt.-Col. Jarvis' guidance, and that he expected to see that programme before it should be promulgated to the different corps concerned, and to have the opportunity of altering the arrangements, if circumstances should render any alteration necessary.

If Lt.-Col. Shaw had taken reasonable pains to inform Lt.-Col. Jarvis of the appointments to which he was committed by Lt.-Col. Shaw in sufficient time, no inconvenience would have ensued; but all the evidence proves that Lt.-Col. Shaw took no pains whatever to do so. Nothing indeed could have been more careless or inconsiderate in an official man than Lt. Col. Shaw's whole proceedings in the matter.

In reply to Lt. Col. Jarvis' letter to myself, explaining the reasons why the Belleville battalion had not been inspected at the time appointed, I requested him to point out to Lt.-Col. Shaw that he should not commit another officer to an employment of his time without first giving that officer an opportunity of saying whether such employment would be convenient, or words to that effect. Nothing was imputed to Lt.-Col. Shaw but want of consideration. Yet, so little did Lt.-Col. Jarvis desire to mortify Lt. Col. Shaw, that he did not act on my request until some weeks later, and only did so then, because he found Lt. Col. Shaw had made another engagement for Lt. Col. Jarvis, without acquainting him thereof, for the inspection of Col. Swetman's troop. The delay in conveying my message to Lt. Col. Shaw proving that no hostile feeling existed towards him in the mind of Lt. Col. Jarvis.

If Lt. Col. Jarvis intentionally misrepresented the tenor of his letter to Lt. Col. Shaw for the purpose of causing the mortification of a reprimand to be inflicted on that officer, such a course was as unnecessary as it was stupid; unnecessary, because Lt.-Col. Shaw's carelessness did not require to be magnified to justify a more severe reprimand than he received; stupid, because the misrepresentation was certain of exposure.

I am entirely convinced that in his informal letter to myself, Lt.-Col. Jarvis gave a correct description of the meaning he intended to convey in his letter to Lt.-Col. Shaw, and that he gave what he believed at the time to have been the general tenor of that letter. To represent, therefore, an inadvertence by which Lt.-Col. Shaw was in no way prejudiced, as if it were a quotation dishonestly garbled for the purpose of injuring Lt.-Col. Shaw, would be a measure of judgment of extreme severity; which, although it is susceptible of that interpretation, I trust was not the intention of the paragraph censuring Lt.-Col. Jarvis; more especially in view of the mildness of the term *disingenuous* which

His Excellency has been advised to apply to the statements of Lt.-Col. Shaw, statements by which Lt.-Col. Jarvis was seriously prejudiced, and which in the opinion of the Court of Enquiry were made by Lt.-Col. Shaw with a knowledge that they were untrue.

III. With reference to the case of Major Bowell; either he was amenable to Military jurisdiction as a Volunteer Officer for his actions and correspondence in the matter under consideration, or he was not.

Major Bowell claimed that he was not so amenable, on the ground that his actions had been performed, and his correspondence had been conducted, in his dual capacity of Member of Parliament and Editor of a Newspaper; and on that ground Major Bowell refused to comply with two distinct and positive orders of the Commander in Chief.

The remarks which His Excellency has been advised to make on the tone of Major Bowell's correspondence shew, that in the opinion of the Law Officers of the Crown, Major Bowell was amenable to Military jurisdiction as a Volunteer Officer for his actions and correspondence in the matter under consideration.

Having no doubt of the correctness of the latter view, I recommended Major Bowell's dismissal from the Volunteer Militia; because, I considered that to allow his conduct to pass unpunished would be virtually to establish, as a precedent, that a Volunteer Officer might be guilty of wilful disobedience to the orders of the Commander in Chief; that he might bring calumnious accusations against his superior officer, couched in very insolent language; that he might refuse to produce his authority for such calumnious accusations when requested; and that he might enter into a discreditable collusion with another Volunteer Officer to defeat the ends of discipline; and all this with impunity, provided only he should happen to be a Member of Parliament or an Editor of a Newspaper.

You are aware that I was prepared to return to the performance of my official duties in Canada, if it was thought that my services could be useful. But as the recommendation I had the honor to submit to His Excellency the Commander in Chief, in the cases of Lt.-Colonel Shaw and Major Bowell, has been overruled, I feel I should be without power to enforce discipline in the future. I therefore respectfully request you will submit to His Excellency my resignation of the post of Adjutant General of Militia of Canada.

I further request respectfully you will allow me to be furnished with a full copy of the proceedings of the Court of Enquiry, of which mention has been made herein, and of my recommendations founded thereupon, in order that I may be enabled to justify the course I have felt compelled to adopt to the Commander in Chief of the British Army.

I have the honor to be, Sir,

Your very obedient servant,

(Signed,)

P. L. MACDOUGALL, Col.,

Adjutant General of Militia of Canada.

The Honorable Sir George Et. Cartier, Bart.,

Minister of Militia,

&c., &c., &c.

OTTAWA, 30th April, 1869.

I respectfully recommend that the resignation of Colonel Macdougall, as Adjutant General of Militia, be accepted by His Excellency the Governor General, and I hereto annex an answer which I sent to Col. Macdougall.

(Signed,)

GEO. ET. CARTIER,

M. of M. & D.

May 4th, 1869, resignation accepted accordingly.

(Signed,) J. Y.,

WESTMINSTER PALACE HOTEL,

London, 29th March, 1869.

My dear Colonel,—

Before my sailing for Canada, on the 1st of April next, I must acknowledge the receipt of your letter of the 20th of February last, by which you request me to submit to His Excellency the Governor General your resignation of the post of Adjutant General of Militia of Canada. As I have already expressed it to you, I very much regret that so

the reasons you assign in your letter, you find yourself placed under the necessity of resigning an office, the duties of which you have fulfilled with such marked ability, and with such honour to yourself and such benefit to Canada. I am sure that the Volunteers and the whole Militia of Canada will feel sorry to have to part with you as their Military Commanding Officer. I avail myself of this opportunity to convey to you, as well on my behalf as Minister of Militia and Defence, as on behalf of the Volunteers and Militia of Canada, the expression of the most sincere thanks for the manner you have discharged your duties as Adjutant General. On my return to Canada I will have the honor to submit to His Excellency your resignation, and also your request to be furnished with a full copy of the proceedings of the Court of Enquiry to which you allude in your letter, and of the recommendation you made, founded on that enquiry.

I have to intimate to you that you will have to consider yourself as occupying your present post until your successor is appointed.

Believe me, very dear Colonel,

Yours very sincerely,

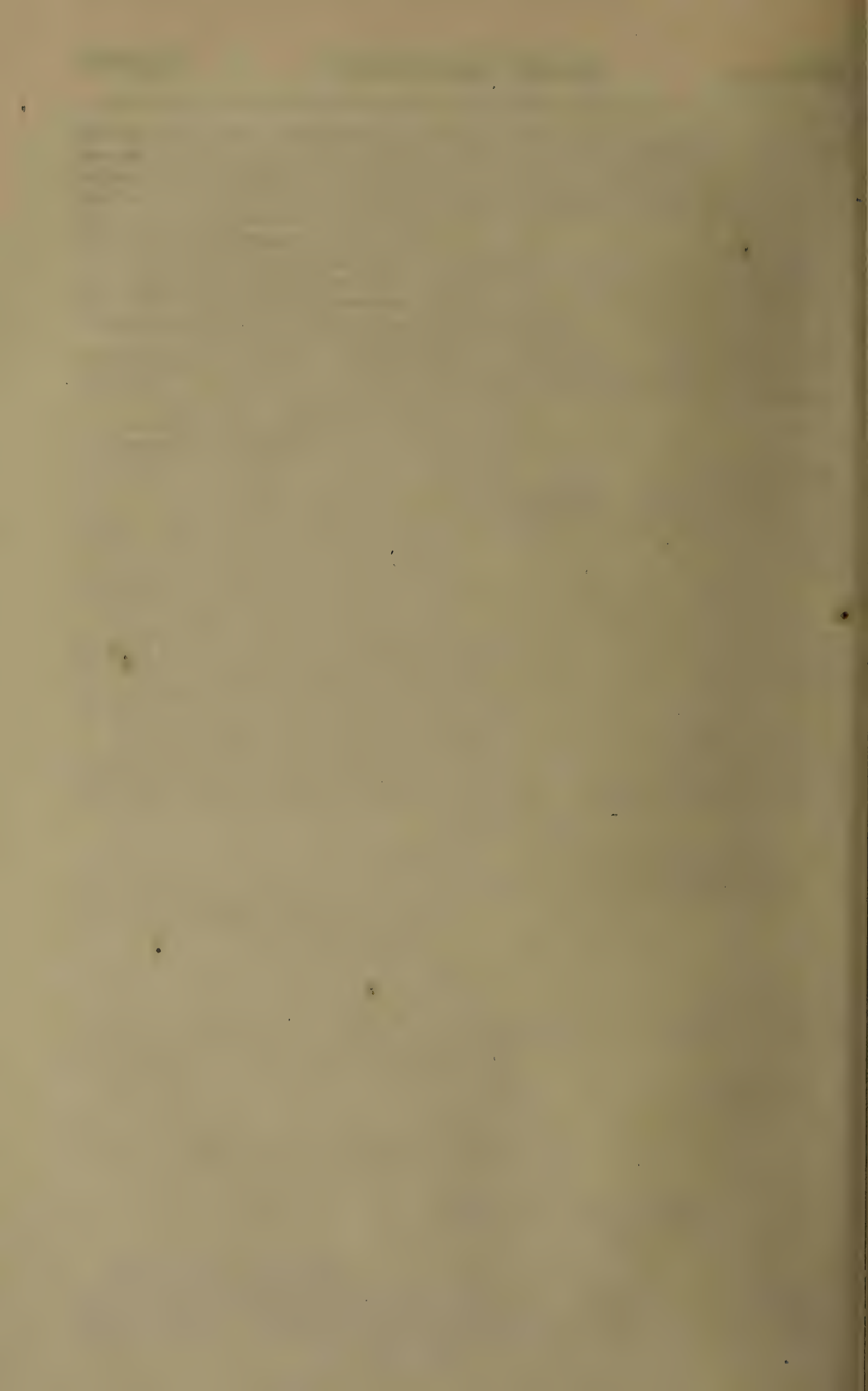
GEO. ET. CARTIER.

(Signed,)

Colonel MacDougall,

Adjutant General of Militia of Canada,

King's Weston, Bristol.



RETURN

TO an ADDRESS OF THE HOUSE OF COMMONS, dated 26th April, 1869 ; for copies of all papers and official reports : 1st., having reference to the present condition of the repairs of the Welland Canal, and its harbors ; 2nd., giving information as to the progress made since last session towards obtaining the Lake Erie level ; 3rd., having in view the enlargement of the St. Lawrence and Welland Canals.

By Command.

HECTOR L. LANGEVIN,

Secretary of State.

DEPARTMENT OF THE SECRETARY OF STATE,
Ottawa, 13th May, 1869.

[In accordance with the recommendation of the Joint Committee on Printing, certain portions of this Return only are printed.]

WELLAND CANAL OFFICE,

St. Catharines, October 3rd, 1868.

SIR,—In my letter No. 7472, of the 10th August, I apprised you that a portion of the top part of the east pier, had caught fire (as supposed from a passing steamer) that the old planks and some of the top timbers were consumed by it, and considerable of the stone has wasted by the heat and water thrown upon it, in extinguishing the fire. I also referred to the dilapidated state of the pier. In the letter above referred to I further stated that I would furnish an estimate of the probable cost of rebuilding the superstructure of this pier. An estimate for it is submitted herewith amounting to \$21,000.

The superstructure of this pier is generally in such a dilapidated state that it requires rebuilding so soon as preparations can be made for it.

I have the honor to be, Sir,

Your obedient servant,

S. D. WOODRUFF.

F. Braun, Esq.,
Secretary of Public Works,
Ottawa.

WELLAND CANAL.

APPROXIMATE ESTIMATE of the probable cost of rebuilding the superstructure of the East Pier at Port Dalhousie, 6 courses above low water.

Pier 20 feet in width, 1000 feet long.

Do 30 do 1026 do including light house crib 60 x 60.

ESTIMATE OF 20 FEET WIDTH OF PIER.

1000 feet \times 6 courses, \times 2 sides, 12 in. \times 12 in. 12000 feet
 Add for splices..... 1000 "

			\$ cts.	\$ cts.
	13000 "	@	0 20	2600 00
Ties, 100 \times 6 courses 10 in. \times 10 in. \times 20 feet.....	12000 "	@	0 18	2160 00
Removing old material and stone.....	700 yds.	@	1 00	700 00
Replacing stone.....	500 "	@	1 00	500 00
Furnishing Stone.....	100 "	@	5 00	500 00
Iron bolts furnished.....	3000 lbs.	@	0 06	180 00
White oak walling 8 in. \times 10 in.....	1000 "	@	0 20	200 00
Snubbing posts.....	20	@	6 00	120 00
Plank walk, 1000 ft. \times 3 ft. \times 3 ft.....	9 M.	@	20 00	180 00
Sleepers for plank walk.....				50 00
Superintendence and contingencies.....				310 00
Total for 20 feet width of pier.....				<u>\$ 7500 00</u>

ESTIMATE FOR 30 FEET WIDTH OF PIER (INCLUDING LIGHT HOUSE CRIB.)

1026 feet \times 6 courses \times 2 sides, 12 in. \times 12 in. 12312 feet
 Splices..... 1020 "
 End, double 60 ft. \times 2 ft. \times 6 ft..... 720 "
 Do 30 ft. \times 6 ft. 180 "
 Do 60 ft. \times 6 ft. 360 "

14592 " @ 0 20 \$12918 00

Ties, 102 ft. \times 30 ft. \times 6 ft. 10 in. \times 10 in. 18360 "
 Do 4 ft. \times 30 ft. \times 6 ft. " " " 720 "
 Stringers, 1026 ft. \times 6 ft. 6156 "
 Do 60 ft. \times 6 ft. 360 "
 Joists, 500 ft. \times 8 ft. 4000 "
 Do " " " 404 "

30000 " @ 0 18 5400 00

Plank, 500 ft. \times 30 ft. \times 4 ft. 60 M
 Do 500 ft. \times 3 ft. \times 3 ft. say 5 "
 Do on light-house crib..... say 5 "

	70 M	@	20 00	1400 00
Oak waling, 8 in. \times 10 in.....	2300 ft.	@	0 20	460 00
Oak plank on end of pier.....	5 M	@	30 00	150 00
Heavy oak on end pier.....	120 ft.	@	0 50	60 00
Furnishing stone.....	60 c. yds.	@	5 00	300 00
Furnishing iron bolts.....	5000 lbs	@	0 06	300 00
Snubbing posts.....	20	@	6 00	120 00
Removing old material.....	1200 c yds.	@	1 00	1200 00
Replacing stone.....	800 "	@	1 00	800 00
Superintendence and contingencies.....				392 00
Total for 30 feet width pier, etc.,.....				<u>\$13500 00</u>
Total for re-building East Pier.....				<u>\$21000 00</u>

(Signed,)

S. D. WOODRUFF,
 Superintendent.

WELLAND CANAL OFFICE,

St. Catharines, 1st December, 1868.

SIR,—I have the honor in accordance with the printed regulations and instructions conveyed to me in your letter No. 54174, of the 23rd May, 1865, to forward herewith a detailed statement giving an approximate estimate of the probable cost of making the necessary repairs, &c., of the works on this canal, for the six months from the 31st December, 1868, to the 30th June, 1869, viz :

The amount certified to by me for the current half year, for canal repairs &c., is	\$16,600.00
Authorized by letter No. 1554, of January 9th, 1868.....	\$ 250.00
Do do 2775, of July 8th, 1868	13,000.00
Do do 2919, of July 31st, 1868.....	501.00
Do do 2959, of August 11th, 1868.....	600.00
Do do 3042, of August 24th, 1868.....	113.50
Do do 3536, of November 3rd, 1868.....	1,100.00
	<hr/> 15,564.50

Excess\$ 1,119.92

The excess has been caused through the gates of the lock at Allanburgh having been carried away, and the repairs of the damages to the works by vessels. In addition to the above amount of \$16,600 for the ordinary repairs of the works on the canal, I shall require the sum of \$3,200 for re-building 4 gates for the Junction Lock; also cleaning deposits out of same, and re-building 4 gates facing the lake, for the Port Colborne Lock, preparatory to admitting the water of Lake Erie for a feeder to this canal. These gates must be prepared previous to the lake level being used, and should be got in readiness this winter. Gates for this purpose were furnished about 20 years ago, but are now quite useless from decay. Their cost should be defrayed from the appropriation for the lake level.

It is important that I be early authorized to proceed with these works, in order to have them completed by the opening of navigation next spring.

I have the honor to be, Sir,

Your obedient servant,

(Signed,)

S. D. WOODRUFF.

WELLAND CANAL.

APPROXIMATE ESTIMATE of the probable cost of making the following repairs, in maintaining the works of the Welland Canal from 31st December, 1868, to 30th June, 1869.

FLOATING TOWPATH, HYDRAULIC RACE AND AQUEDUCT.

From Port Dalhousie to Thorold, $9\frac{1}{2}$ miles, 26 locks, 26 wasteweirs, 10 swing bridges, bent bridges.

Lock No. 1, Repairs on gates and fenders of bridge.....	\$ 100 00
Repairs in floating towpath, 200 feet timber, \$40, 3 M. ft. plank \$60	100 00
Dam, and cleaning out Lock No. 2, \$200. Repairs on well-holes and gates, \$200.....	400 00
New swing-bridge above Lock No. 2, with abutments, fenders, &c.....	2400 00
Lock No. 3, Heel path, foot gate spliced, filling and other repairs....	126 00
Lock No. 4, Posts, towpath, gate spliced, filling and repairs.....	126 00
Lock No. 5, 4 new gates for this lock and repairs, \$1500. Repairs Bridge, \$200.....	1700 00
Lock No. 6, Repairs, \$25. Lock No. 7, gate spliced, 2 new beams and repairs, \$158.....	183 00
Lock No. 8, Repairs, \$25. Lock No. 9, Repairs, \$25. Lock No. 10, Repairs and new gate, \$400.....	450 00
Lock No. 11, Repairs and new gate, \$400. Lock No. 12, Repairs and 2 new gates, \$800.....	1200 00

Locks Nos. 13, 14, 15, 16, 17, 18, and 19. Repairs, gates.....	175 00	
Lock No. 20, New beam and repairs, \$74. Locks Nos. 21, 22 and 23 Repairs, \$75.....	99 00	
Lock No. 24, New beam and repairs \$74, Lock No. 25. Repairs, \$25	99 00	
20 M. ft. B. M. oak, \$320. 20 M. ft. pine, \$220. 20 Kegs spikes \$200.....	740 00	
50 screws repaired with matrixes, \$400. 4 new valves, @ \$300. 25 valve pins, @ \$66.....	766 00	
Castings for repairs, \$100. Blacksmith's works, forging iron, \$300	400 00	
Carpenter's repairs, not included in foregoing 2 months, \$500. Fence work, \$200.....	700 00	
Removing bars out of bottom of canal, 30 men, 1 month, say 20 days.....	600 00	
		<u>\$10,364 00</u>
FROM THOROLD TO ALLANBURGH $3\frac{1}{2}$ MILES, 2 LOCKS, 3 WASTE WEIRS 3 SWING BRIDGES.		
Repairing Hurst's bridge, \$200. Repairing Marlett's bridge, \$150	350 00	
Ditching and raising embankments, \$200. Repairs to mitre sill lock, \$200.....	400 00	
Removing bars out of bottom of canal from Thorold to Allanburgh, 20 days, 30 men.....	600 00	
Completing Allanburgh gates, spare sett to replace those used at break.....	700 00	
		<u>2,050 00</u>
FROM ALLANBURGH TO JUNCTION $7\frac{1}{2}$ MILES, 2 LOCKS, 6 SWING BRIDGES, BENT AND WASTE WEIR BRIDGES, FLOATING TOWPATH ETC.		
Bottoming channel between lift and guard lock, \$200. Repairs, guard gates, \$100.....	300 00	
Ditching and raising embankments, \$465. Repairs, Port Robinson, lock gates, \$300	765 00	
Cleaning out Welland Lock, \$100. Repairs Junction Bridge, \$100	200 00	
		<u>1,265 00</u>
FROM JUNCTION TO COLBORNE $7\frac{1}{4}$ MILES, 1 LOCK, 2 SWING BRIDGES, CULVERT, BOOM TIMBERS, PIERS, ETC.		
Labor : ditching, setting snubbing posts, carpenter's work &c., \$350.		
Iron work &c., \$150.....	500 00	
Re-building 2 gates, \$800. Lumber and timber for repairs, \$200...	1000 00	
		<u>1,500 00</u>
FROM JUNCTION TO MARSHVILLE AND BROAD CREEK, $16\frac{1}{2}$ MILES, 1 LOCK, 2 SWING BRIDGES, 3 CULVERTS.		
Cleaning drift wood from culverts, raising embankments &c., \$150. Repairs, bridges, \$150.....	300 00	300 00
FROM BROAD CREEK TO PORT MAITLAND AND DUNNEVILLE $6\frac{1}{2}$ MILES, 2 LOCKS, 3 SWING BRIDGES, 2 WASTEWEIRS, DAM AND 5 CULVERTS.		
Lumber for repairs and slash boards, \$150. Spikes and iron work, \$150.....	300 00	
Gravel for embankments, \$150. Repairs, bridges, \$100. Labor, ditching &c., \$150.....	400 00	
		<u>700 00</u>

Cost of surveys and preparing maps &c.,.....	421 00
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Total.....	\$16,600 00
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(Signed,)	S. D. WOODRUFF, Superintendent.
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Welland Canal Office,
St. Catharines, 1st December, 1868.

WELLAND CANAL OFFICE,
St. Catharines, February 20th, 1869.

SIR,—I have the honor to forward herewith a profile which I have prepared of this canal, from the Lock at Port Colborne, to that at Allanburgh, from which you will be able to form some opinion of the excavation to be done previous to lowering the water to the level of Lake Erie, as the bottom of the Canal is shown upon it with reference to the top of the mitre sill of the lock at Port Colborne.

The canal bottom was originally assumed to be at the level of the mitre sill of the old lock there, which stood 2 feet above that of the present lock. The bottom of the aqueduct has been laid at the level of the said mitre sill of the old lock.

The water level of the Lake is shown upon a profile to be 12 feet above the mitre sill of the present lock.

The water last year with few exceptions (when it was lowered by easterly winds) stood over this height until the month of October when it fell below it. The years of 1867, 1868 being extremely dry, the water was unusually low.

The exceptions are as follows viz : in the month of April on the 23rd and 28th the water lowered to 11 feet 6 inches. In May, on the 7th and 13th it was 10 feet 8 inches and 10 feet 9 inches. In June and July the lowest water was 12 feet 4 inches and 12 feet 5 inches.

In August on the 11th and 27th it fell to 11 feet 8 inches and 11 feet 10 inches.

In September on the 23rd, 24th and 25th, it fell to 11 feet 6 inches, 11 feet 11 inches and 11 feet 6 inches. During the month of October, it stood only for 4 days about 12 feet ; on the 1st, 17th, 20th and 23rd, it was 11 feet 2 inches, 11 feet 4 inches, 10 feet 8 inches 11 feet 3 inches and 11 feet 4 inches respectively, and for the remainder of the month 11 feet 5 inches and upwards.

For the month of November, on the 2nd, 6th, 7th, 15th and 16th, it stood at 11 feet 3 inches, 11 feet, 11 feet 1 inch and 10 feet 7 inches ; for the balance of the month 11 feet 5 inches and upwards and only for 6 days 12 feet upwards.

For December, on the 4th it was but 10 feet 2 inches, and for the navigable part of the month 11 feet 6 inches and upwards.

When the water is likely to be lowered in the Lake, from easterly winds, the canal level may be maintained by closing the gates of Port Colborne lock, and supplying the canal from feeder.

The blue line drawn upon the profile, shows the established height of the canal level, as supplied at present from the Grand River, and is 20 feet above the mitre sill of the lock, at Port Colborne.

During the droughts of the past years, the supply has been shut, and the level drawn down for much of the time from 1 to 2 and 3 feet. From this line the depths of water are shown on the profile in black figures at the centre of the canal, those in red figures at 15 feet east from centre, and the blue figures 15 feet west from the centre. These depths show the bottom to be as level as can reasonably be expected from the manner of excavating it by the use of dredge machinery in so great a depth of water.

By deducting each of those figures from 20 feet the heights on the mitre sill of the lock at Port Colborne is obtained. From the lock to station 43 upwards of a mile the canal is mostly through heavy rock cutting, the bottom is nearly uniform, upon it there remains some soft mud that cannot be taken out by the dredge buckets.

Between stations 43 and 26+50, one third of a mile, there is ample depth.

From station 26+50 to 0 a half a mile, the canal is through heavy rock cutting,

the bottom level very nearly corresponds with that immediately north of the lock. From station 0 to 48 towards Allanburgh 1135 feet, there is a good depth of water except at one point.

Between stations 48 and 45 the rock projects. The removal of this is embraced in Mr. Brown's contract. He is engaged in putting in dams for the removal of it this winter; his progress thus far is not satisfactory as he has not got the dams put in.

Between the latter and the aqueduct, a distance of $5\frac{2}{3}\frac{5}{8}\frac{0}{0}$ miles, there is generally a good depth excepting at a few points. These can be removed with a dredge in about four weeks.

The stuff appearing above the bottom of the Canal at near the junction is composed principally of accumulation of wash in the feeder, carried and deposited there by the current.

The floor of the aqueduct stand at the highest point 2 feet over the level of the mitre sill of the lock at Port Colborne.

From the aqueduct to Port Robinson-guard lock, a distance of $4\frac{3}{8}\frac{6}{8}\frac{0}{0}$ miles, there is generally a good depth of water, except in some few points. In the removal of those a dredge may be occupied four weeks.

The mitre sill of the guard lock at Port Robinson stands about the same height as the floor of the aqueduct. Between the Port Robinson and Allanburgh guard-locks, a distance of $2\frac{5}{8}\frac{4}{8}\frac{0}{0}$ miles, there are several points (some of them for a considerable distance) standing above the bottom level. These have been principally occasioned by settlement in the banks of the deep cut, since the excavation has been done. It will probably take a dredge three months to clear these out, as some of them stand 2 feet above the floor of the aqueduct. It is impossible to calculate the quantity it will be necessary to take out, as settlement in the banks will probably continue with the removal of the bottom. Between the guard and lift lock, at Allanburgh some material has gone into the bottom from the sides. This I proposed to have removed previous to the opening of navigation, when the water is drawn off, to make some necessary repairs upon the gates and sills of the lift lock.

From the foregoing it will be seen, that the clearing of the bottom will occupy a dredging machine about five months. A large part of the material (except the slide in the deep cut) is of such a soft character (being mostly composed of deposit of wash from the banks &c.,) that a few inches of it in the bottom cannot prove of serious obstruction to the passage of vessels, when the water is low occasioned from winds blowing the water up the lake or otherwise, I consider it desirable to have all such impediments removed.

If it be determined to lower the water in this level to that of the lake this season, as is apparent from the feelings of the country being decidedly so expressed, I would respectfully recommend that two or three dredging machines be procured, with a steam tug and full complement of scows, to be in readiness to remove any slide that may occur on lowering the water. Slides do occur in the deep cut in its present state, further settlements in the banks may be calculated on with certainty when the water is lowered only to a much greater extent.

Providing dredges to meet such casualties will undoubtedly ensure of the navigation not being obstructed for any great length of time.

Previous to the lowering of the water the dredges can be employed in removing the points above referred to, so that no loss will ensue by having them in readiness.

The probable cost of a dredge fully maintained for 12 hours each day, may be set down at \$100 and for a steam tug in attendance \$50.

For three dredges and a steam tug per day \$350, say for six months \$50,000.

The works under contract, preparatory to the water being lowered, I expect to have completed by the month of June.

Should it be determined to feed the canal from the lake this season, I strongly recommend that it will not be undertaken earlier than the month of August, when the water is low in the Grand River, as during the hot and dry weather the banks are more firm and not so subject to slip, as earlier in the season. Previous to this there will be ample time to remove the obstructions above referred to, provided authority is given for it, shortly after the opening of navigation with reference to the heights of the floor of the aqueduct and sill of the guard lock at Port Robinson. Their level is quite sufficient for the passage of vessels drawing ten feet, when there is upwards of twelve feet of water on the mitre sill of the lock at Port Colborne. It has usually stood about this, except when the easterly winds caused

the water to fall below this for a short time. The remedy proposed for the passage of vessels during such period is to close the lock gates and supply their level from the feeder.

It is to be regretted that these works are not placed lower; but at the time they were placed sufficiently low to meet the capacity of the canal as then determined, which was for vessels drawing but 9 feet water instead of 10 feet as at present. The latter draft was decided upon several years after those works had been constructed. It may be unnecessary for me to add, (but nevertheless I do so) that the construction of the aqueduct and guard lock was previous to my having charge of the work.

But I feel confident that my predecessors executed, in accordance with their authority as appears from the plans recorded in this office.

I have honor to be, Sir,

Your obedient servant,

(Signed,) S. D. WOODRUFF,
Superintendent.

WELLAND CANAL OFFICE,

St. Catharine's, February 24th, 1869.

SIR,—I have the honor as required by your letter No. 4002 of the 15th to forward you the following estimates, viz:

Estimates for repairs of this canal for 1 year from the 1st July, 1869	\$ 34,000
Estimates of the cost of works proposed to be executed or constructed from the same date.....	220,000

I have the honor to be, Sir,

Your obedient Servant,

(Signed,) S. D. WOODRUFF,
Superintendent.

F. BRAUN, Esq.,

Secretary of Public Works,
Ottawa.

WELLAND CANAL.

APPROXIMATE ESTIMATE of the probable cost of the following works proposed to be constructed on the Welland Canal, from 1st July, 1869, as required by letter No. 4002 of the 15th February, 1869.

Rebuilding superstructure East Pier at Port Dalhousie. Estimate of cost furnished you in my letter No. 7502 of 3rd October, 1868.....	\$21,000.00
Enlarging harbor at Port Dalhousie and deepening to meet the requirements of a memorial in circulation to be presented to the Department*.....	30,000.00
Further extending and deepening the Harbor at Port Colborne to meet the requirements of a memorial in circulation to be presented to the Department, the extension to be on the east side out to the lake*.....	68,000.00
Gravel facing the banks to protect them from wash on lowering water.....	9,000.00
Boom timbers in rock cut to protect vessels from injury do do	9,000.00
Securing float bridges near Port Robinson do do	2,000.00
To construct second tow-path on east side of canal, between Hurst's and Marlett's bridges. The tow path is crooked, where there are winds the vessels are obliged to lay with, another tow-path would allow them to pass*.....	20,000.00
Removal of slides out of the deep cut, &c., providing three steam dredges and tug removing any slides that may occur, after water is lowered, see my letter No. 7570 of 20th July, 1869	50,000.00
Further sum for completion of the works authorized in your letter No. 2975 of 12th February, 1868	5,000.00

* These amounting to \$118,000.00 may be rejected or considered as thought proper, their construction urged by the public and will be serviceable.

Dwelling for Lock-master at Port Colborne	2,000.00
Superintendence and contingencies.....	4,000.00

Total.....\$220,000.00

(Signed,)

S. D. WOODRUFF,
Superintendent.

Welland Canal Office,
St. Catharines, 24th February, 1869.

WELLAND CANAL.

APPROXIMATE ESTIMATE of the probable cost of making the following repairs, in maintaining the works of the Welland Canal from 1st July, 1869, to 1st July 1870, as required by your letter No. 4002 of 15th February, 1869.

From Dalhousie to Thorold 9 1-6 miles, 26 locks, 26 waste weirs, 10 swing bridges, bent bridges, floating tow-path, hydraulic race and aqueduct.	
Probable repairs on floating tow-path, planking, railing and new piles	\$5,000.00
10 Lock gates including wrought iron \$3,000. 10 valves and castings for gates, \$700.....	3,700.00
Blacksmith's iron work \$1,000. Castings and brass \$500. 20 valve pins and trusses \$50	1,550.00
50 matrixes and repairs, old screws \$350. Spikes, nails and chains \$850 Rope \$200.....	1,400.00
Timber for repairs \$1,000, Oak timber 50 M. \$800, 50 M. Pine lumber \$550.....	2,350.00
New swing bridges at lock No. 4 \$1,200. 20 new balance beams \$600	1,800.00
6 carpenters and team making ordinary canal repairs, 10 months at \$300.....	3,000.00
6 months scow, raising embankments at \$250 = \$1,500. Diver making repairs \$100.....	1,600.00
Cleaning bars out of bottom of canal, 40 men 20 days.....	800.00
	21,200.00

From Thorold to Allanburgh 3½ miles, 2 locks, 2 waste weirs, 3 swing bridges.	
New bridges at Hurst's and Marlett's.....	3,000.00
Ditching, raising embankments \$400. Protecting do. with gravel, \$300	700.00
	3,700.00

From Allanburgh to junction 7½ miles, 2 locks, 6 swing bridges, bent and waste weir bridges, floating tow paths, &c.	
Ditching, raising embankments, &c., \$800. Protecting do. with gravel \$400	1,200.00
Repairs bridges \$600. Repairs lock gates \$800. Lumber \$200.....	1,600.00
Cleaning out Welland lock \$200. Blacksmiths' work and casting \$200	400.00
	3,200.00

From junction to Colborne, 7¼ miles, 1 lock, 2 swing bridges, culverts, beam timbers, piers, &c.	
Removing sunken timbers out of canal, \$300. Iron work and castings, \$200.....	500.00
Lumber and timber, \$300. Carpenters' labor replacing boom timbers displaced, \$200.....	500.00
Carpenters' labor making repairs and ditching.....	800.00
	1,800.00

From Junction to Marshville and Broad Creek, 16½ miles, 1 lock. 2 swing bridges, 3 culverts. Removing sunken timber out of feeder, \$300.	
Raising embankments \$200.....	500.00
Repairs Bridges, \$200. Removing drift and cleaning out culverts, \$400.....	600.00
	1,100.00

From Broad Creek to Port Maitland and Dunville, 6½ miles, 2 locks, 3 swing bridges, 2 waste weirs, dam and 5 culverts.	
Swing Bridge Broad Creek, \$1,500. Iron work, spike, &c., \$200....	1,700.00
Slash boards and lumber, \$200. Gravel, \$100. Planking bridges, &c., \$300.....	600.00
Ditching and raising embankments, \$200. Cleaning out and repairs, culverts, \$500.....	700.00
	<hr/> 3,000.00
Total.....	\$34,000.00
(Signed,)	S. D. WOODRUFF, Superintendent.

Welland Canal Office,
St. Catharines, 24th February, 1869.

WELLAND CANAL OFFICE,
St. Catharines, March 31st, 1860.

SIR,—I have the honor to forward a letter which I have received from Mr. John Brown, contractor for removal of the rock standing above the canal bottom near Ramay's Bend announcing his failure to complete the job. And he further states that he is prepared with his two dredges, to remove sufficient of the dams for vessels to pass, so that no delay will ensue therefrom, in opening the navigation.

With Mr. Brown's failure to remove this rock it does not necessarily follow, that the lake level cannot be brought into use this year, as from the heavy fall of snow and rain the lake may assume the height which it attained a few years ago, in which case vessels could pass over this rock, as it only stands some six inches above the floor of the aqueduct in the centre of the canal and dips to the east and rises to the west of this centre line. And the practicability of maintaining this level may be thus tested as a guide for future operations.

I have the honor to be, Sir,

Your obedient servant,

(Signed,)

S. D. WOODRUFF,
Superintendent.

F. Braun, Esq.
Secretary of Public Works,
Ottawa.

THOROLD, March 30th, 1869.

S. D. WOODRUFF, Esq.,
Supt. Welland Canal,
St. Catharines.

DEAR SIR,—I beg leave to report that the operations carried on during the winter to remove the rock at Ramey's Bend are now suspended in consequences of both sides of the canal giving way and sliding into the pit obstructing all operations for removing the rock.

The difficulties I had to contend with were beyond all precedent in dam building, the materials I had to make the dams, was of such a nature that I almost despaired of succeeding to accomplish it, and instead of taking five or six thousand yards of earth as calculated when tendering, which would have been sufficient with any ordinary earth, it took upwards of 15,000 yards besides three long cribs of timber and a large quantity of brush; and after the labour of three months piling earth on said dams, I succeeded at last to make them stand and to pump the water out, and just as I was ready to drill the rock, both sides of the canal came in on our operations, filling the pit and effectually stopping any further progress; consequently I was compelled to abandon the work, which I very much regret after spending so much money, labour and time on the dams.

I am satisfied that if the sides of the canal had not given way that I would have succeeded in removing the rock, the principal cause of the difficulty is the large quantity of

water forcing the way up through the crevices in the bed of the rock causing the sides of the pit to give way.

What I would now recommend is to remove sufficient of the dams to make the canal navigable and next fall to dredge the base of the slope and fill in with stone or build with cribs on each side of the pit. I am now prepared with two dredges and sufficient scows to remove the dams as soon as the navigation will permit going to work, but under the circumstance I don't think I should be held responsible for the failure of removing the rock and be called on to continue operations under my original contract, but I trust the Department will take the matter into consideration and do what is right.

I remain, dear Sir,

Your obedient Servant,
(Signed,) JOHN BROWN,

WELLAND CANAL OFFICE,

St. Catharines, April 7th, 1869.

SIR,—I have the honor to inform you, that I have drawn the water off from the canal below Allanburgh and am proceeding with the repairs, and shall have them in such forward state as to open the canal for the passage of vessels on and after Wednesday the 21st instant.

The lake at Port Colborne is covered with ice as far as the eye can reach, also in the upper level of the canal the ice is very firm. It is quite probable that it will have wasted, by the time announced, for the opening, so as to be no impediment to the passage of vessels.

I have the honor to be, Sir,

Your obedient servant,
(Signed,) S. D. WOODRUFF,
Superintendent.

F. Braun, Esq.,
Secretary of Public Works,
Ottawa.

STATEMENTS

MADE BY

INSURANCE COMPANIES,

IN COMPLIANCE WITH THE ACT 31 VIC., CAP. 48, SEC. 14.

List of Insurance Companies licensed to do business in Canada under

NAME OF THE COMPANY.	General Agent, Manager or Secretary.
1. The British America Assurance Company of Toronto.....	T. W. Birchall, Managing Director, Toronto..
2. The Canada Life Assurance Company of Hamilton.....	A. G. Ramsay, Manager, Hamilton.....
3. The Agricultural Mutual Assurance Association of Canada, London, Ontario.....	D. C. Macdonald, Secretary, London.....
4. The Home Insurance Company of New Haven, Conn.....	J. T. & W. Pennock, General Agents, Ottawa..
5. The North British and Mercantile Insurance Company.....	Macdougall & Davidson, Gen'l Agts., Montreal.
6. The Western Assurance Company of Toronto.....	Bernard Haldan, Secretary, Toronto.....
7. The Liverpool and London and Globe Insurance Company.	G. F. C. Smith, Esq., Res. Sec'y, Montreal.....
8. The Royal Insurance Company.....	H. L. Routh, General Agent, Montreal.....
9. The Aetna Insurance Company.....	Robt. Wood, General Agent, Montreal....
10. The Reliance Mutual Life Assurance Society, London, England.....	Jas. Grant, Manager, Montreal.....
11. The Imperial Insurance Company, London, England.....	Rintoul Bros., General Agents, Montreal.....
12. The Hartford Insurance Company of Hartford, Conn.....	Robert Wood, General Agent, Montreal.....
13. The Northern Assurance Company of London & Aberdeen.	Taylor Bros., General Agents, Montreal.....
14. The Phoenix Mutual Life Insurance Company of Hartford, Connecticut.....	A. R. Bethune, General Agent, Montreal.....
15. The Connecticut Mutual Life Insurance Co. of Hartford, Connecticut.....	Robt. Wood, General Agent, Montreal.....
16. The Lancashire Insurance Company.....	Wm. Hobbs, General Agent, Montreal.....
17. The Phoenix Fire Insurance Co. of London, England.....	Gillespie, Moffatt & Co., Gen'l Agts., Montreal.
18. The Commercial Union Assurance Co. of London, England.	Morland, Watson & Co., Gen'l Agts., Montreal.
19. The Travelers Insurance Company, of Hartford, Conn.....	T. E. Foster, General Agent, Montreal.....
20. The Aetna Life Insurance Company of Hartford, Conn.....	S. Pedlar & Co., Gen'l Agents Montreal.....
21. The Provincial Insurance Company of Canada.....	Jas. Sydney Crocker, Manager, Toronto.....
22. The Life Association of Scotland.....	Peter Wardlaw, Chief Agent, Montreal.....
23. The Standard Life Assurance Company.....	W. M. Ramsay, Manager, Montreal.....
24. The Queen Fire and Life Insurance Company.....	A. McK Forbes, General Agent, Montreal.....
25. The Edinburgh Life Assurance Company.....	David Higgins, Secretary, Toronto.....
26. The London Assurance Corporation.....	Romeo H. Stephens, Gen'l Agent, Montreal...
27. The Scottish Provincial Assurance Company.....	A. Davidson Parker, General Agent, Montreal.
28. The London and Lancashire Life Assurance Company.....	Thos. Simpson, General Agent, Montreal.....
29. The New York Life Insurance Company.....	Walter Burke, General Agent, Montreal.....
30. The Atlantic Mutual Life Insurance Co. of Albany, N. Y.	H. C. Allen, General Agent, Brantford.....
31. The Equitable Life Insurance Society of the United States, New York.....	Jas. Sinclair, General Agent, Toronto.....
32. The Briton Medical and General Life Association, London, England.....	Not yet appointed.....
33. The Union Mutual Life Insurance Company of Maine.....	B. R. Corwin, Gen'l Agent, St. John, N. B.....
34. The Guardian Fire and Life Assurance Office, London, England.....	R. Simms & Geo. Denholm, Joint Gen'l Agents, Montreal.....
35. The Star Life Assurance Society of England.....	Joseph Gregory, General Agent, Toronto.....
36. The National Life Insurance Company of the United States of America.....	Wm. Douglas, jun., Gen'l Agent, Montreal.....
37. The Quebec Fire Assurance Co.....	A. D. Riverin, Secretary, Quebec.....

the Act respecting Insurance Companies, (31 Victoria, Cap. 48.)

Amount of Deposit. (May 14th, 1869.)	For whose security deposited.	Description of Insurance business for which licensed.
\$50,000, cash.....		Fire & Inland Marine.
\$50,000, cash.....		Life.
\$25,000, cash.....		Fire.
\$72,500, U. S. bonds.....	Canadian policy holders.....	Fire & Inland Marine.
\$150,253; viz., \$50,000 cash, and \$100,253 Canada 5 p. c. consols.....	do	Fire and Life.
\$50,090, cash.....		Fire & Inland Marine.
\$150,693; viz: \$50,000, cash, \$62,293, Canada 5's, and \$38,400 Canada 6's.....	Canadian policy holders.....	Fire and Life.
\$150,515; viz: \$96,982 cash, and \$53,533 Canada 5's	do	do
\$50,044, viz: \$1,534 cash, and \$48,510 Bank Stocks.	do	Fire & Inland Marine.
\$51,500 cash.....	do	Life.
\$107,050, viz: \$54,993 British 3 per cents, \$1,400 Canada 6 per cents, \$48,667 Canada 5 per cents, and \$1,990 cash	do	Fire.
\$130,000 U. S. 5-20 bonds.....	do	Fire.
\$100,000, viz: \$85,833 cash, \$12,167 Canada 5's, and \$2,000 Canada 6's	do	Fire.
\$130,000 U. S. 5-20 bonds.....	Policy holders generally.....	Life.
\$140,000 U. S. 5-20 bonds.....	do	Life.
\$100,172, viz: \$51,505 cash, and \$48,667 Canada 5's.....	Canadian policy holders.....	Fire.
\$100,297, viz: \$50,171 cash, and \$50,126 Canada 5's.....	do	Fire.
\$150,956, viz: \$100,343 cash, and \$50,613 Canada 5's.....	do	Fire and Life.
\$140,000 U. S. 5-20 bonds.....	Policy holders generally.....	Life and Accident.
\$140,000 U. S. 5-20 bonds.....	do	Life.
\$16,666 cash.....		Fire & Inland Marine.
\$150,000 cash.....	Canadian policy holders.....	Life.
\$150,000 cash	do	Life.
\$151,100, viz: 100,000 cash, and \$51,100 Canada 5's	do	Fire and Life.
\$150,515 cash.....	do	Life.
Provisional deposit of consols		Fire.
\$152,295, viz: \$101,849 cash, and \$50,446 Canada 6's.....	Canadian policy holders.....	Fire and Life.
\$61,487 cash.....	do	Life.
\$75,000 U. S. 5-20 bonds	Policy holders generally.....	Life.
\$50,000 U. S. 10-40 bonds.....	do	Life.
\$77,312, viz: 75,000 U. S. 5-20 bonds, and \$2,312 cash.....	do	Life.
\$100,343 cash.....	Canadian policy holders	Life.
\$100,000 U. S. 6's of 1881.....	Policy holders generally.....	Life.
\$100,343 cash	Canadian policy holders.....	Fire.
\$100,343 cash.....	do	Life.
\$50,665 cash.....	do	Life.
\$33,666		Fire.

STATEMENTS made by Insurance Companies, in terms of the Act 31 Vic.,

I.—FIRE INSURANCE COMPANIES (STOCK). THOSE MARKED * ARE ALSO LICENSED

No.	NUMBER OF LICENSE	1*	4*
	NAME OF THE COMPANY.....	The British America Assurance Company of Toronto.	The Home Insurance Co. of New Haven, Ct.
	GENERAL AGENTS IN CANADA	T. W. Birchall, Managing Director, Toronto.	J. T. & W. Pen-nock, General Agents, Ottawa.
	<i>Statements called for from all Companies.</i>	\$ cts.	\$ cts.
1	1. Total premiums received during the year in Canada	\$ 121,162 00	68,144 76
2	2. Number of Policies, new, including renewals, issued during the year in Canada.....	3,033	.....
3	3. Amount of the said Policies	\$ 5,808,849 00	.....
4	4. Amount at risk in all Policies in force in Canada	10,287,751 00	3,676,539 00
5	5. Number of Policies on which losses have occurred during the year in Canada	152	.....
6	6. Amount of losses in Canada paid during the year.....	55,493 67	75,279 86
7	7. Amount of losses in Canada in suspense.....	643 30	11,097 00
8	8. Amount of losses in Canada resisted.....	(e) 3,200 00	(a) 6,000 00
9	7. Amount of premiums earned during the year in Canada, being (where no exact calculation is made by the Company) the un-earned premiums of the previous year, and 40 per cent. of the premium receipts of the current year.....	\$ (h) 120,937 96	(c) 59,386 51
10	8. Amount of premiums unearned, viz., 40 per cent. of the year's receipts (where no exact calculation is made by the Company)...	(h) 42,406 70	(c) 44,118 47
	<i>Additional Statements by sundry Companies. (Form B.)</i>		
11	Assets of the Company.....	\$ 278,302 68	1,622,974 39
12	Liabilities of the Company, excluding liabilities (see No. 8, above) on current risks.....	29,333 90	68,632 32
13	Amount of Total policies in force.....	\$ 10,287,751 00	96,187,137 00
14	Amount of Capital Stock.....	\$ 400,000 00	3,000,000 00
15	Amount paid thereon.....	\$ 200,000 00	1,000,000 00
	Deposits in Canadian Securities, viz:		
16	1. Dominion Stock?	\$ 50,000 00	.....
17	2. Canada 5 per cents?	.....	.....
18	3. Canada 6 per cents ?	.....	.....
19	4. Canada Bank Shares?	.....	.....
	Other Canadian investments—		
20	5. Government Securities owned, not deposited.....	.....	.....
21	6. Municipal Debentures.....	\$ 52,115 50	.....
22	7. Mortgages on Real Estate.....	\$ 129,084 82	.....
23	8. Real Estate owned in Canada.....	\$ 13,299 77	.....
24	Cash in Bank and in hand in Canada.....	\$ 35,972 75	.....
25	Deposit if in United States Securities?	.....	72,500 00
26	Total premiums received by the Company in the year in all countries.....	\$ 121,162 00	.....
27	Number of policies, new or renewals, issued by the Company in the year in all countries	\$ 3,033	.....
28	Amount of the above policies.....	\$ 5,808,849 00	.....
	Amount of the year's losses, viz:		
29	(a) Losses paid (all countries)	\$ 55,493 67	.....
30	(b) Losses due and unpaid	\$ None.	.....
31	(c) Losses adjusted and not due.....	\$ 9,987 03	27,872 32
32	(d) Losses in suspense, awaiting further proof.....	\$ 643 30	40,760 00
33	(e) Losses resisted.....	\$ (i) 3,200 00	.....

NOTE—For notes see pages 6 and 7.

cap. 48, submitted in accordance with the 14th Section of the said Act.

TO TRANSACT LIFE OR INLAND MARINE INSURANCE BUSINESS IN CANADA.

5*	6*	7*	8*	9*	11	No.
The North British and Mercantile Insurance Comp'y	The Western Assurance Company of Toronto.	The Liverpool & London & Globe Insurance Company.	The Royal Insurance Co'y.	The Etna Insurance Company of Hartford, Ct.	The Imperial Insurance Company.	
Messrs. McDougall & Davidson, General Agents, Montreal.	Bernard Haldan, Secretary, Toronto.	G. F. C. Smith, Res. Secretary, Montreal.	H. L. Routh, Chief Agent, Montreal.	Robert Wood, General Agent, Montreal.	Messrs. Rintoul Bros., Gen'l Agents, Montreal.	
\$ cts.	\$ cts.		\$ cts.	\$ cts.	\$ cts.	
129,715 82	146,061 56	This Company does not separate its Fire and Life Business, claiming that the Act does not require it.	237,810 32	87,000 00	57,600 94	1
4,756	3,361		11,535	.....	2,353	2
11,049,077 00	4,928,084 00		29,487,665 00	.....	7,150,368 00	3
.....	9,703,776 00		26,284,880 00	.....	5,879,384 00	4
154	111		204	.....	37	5
82,212 38	77,297 74		94,229 25	78,858 00	19,384 34	6
None.	1,160 00		(f) 6,355 70	.....	483 57	7
None.	800 00		(g) 5,150 00	.....	(i) 3,400 00	8
112,214 11	(l) 146,340 02		(n) 215,521 04	.....	55,847 05	9
51,936 25	49,721 54		102,289 28	.....	21,753 89	10
These Statements not called for from this Company.	214,729 98	These Statements not called for from this Company.	These Statements not called for from this Company.	5,150,931 71		11
	6,676 02			.....		12
	9,703,776 00			289,553 98		13
	400,000 00			3,000,000 00		14
	81,124 60			3,000,000 00		15
	50,000 00			1,534 00		16
	.....			.....		17
	.....			.....		18
	.....			.....		19
	16,000 00			48,510 00		20
These Statements not called for from this Company.	29,106 17	These Statements not called for from this Company.	These Statements not called for from this Company.	.....		21
	16,000 00			.....		22
	23,835 02			.....		23
	146,061 56			2,852,574 40		24
	3,361			.....		25
	4,928,084 00			.....		26
	77,297 74			.....		27
	.....			.....		28
	1,160 00			39,110 21		29
	800 00			250,143 77		30
These Statements not called for from this Company.		These Statements not called for from this Company.	These Statements not called for from this Company.	.....		31
				.....		32
				.....		33

STATEMENTS made by Insurance Companies, in terms of Act 31 Vic., cap. 48,

I.—FIRE INSURANCE COMPANIES (STOCK). * THOSE MARKED * ARE ALSO LICENSED

No.	12	13	16	17	18*	21*
	The Hartford Insurance Company, of Hartford, Ct.	The Northern Fire and Life Insurance Company of London & Aberdeen.	The Lancashire Insurance Comp'y	The Phoenix Insurance Company of England.	The Commercial Union Insurance Co'y.	The Provincial Insurance Co., of Canada.
	Robert Wood, General Agent, Montreal.	Messrs. Taylor Bros., General Agents, Montreal.	Wm. Hobbs, Esq., General Agent, Montreal.†	Messrs. Gillespie, Moffatt & Co., General Agents, Montreal.	Messrs. Morland, Watson & Co., General Ag'ts, Montreal.	Jas. S. Crocker, Manager, Toronto.
	\$ cts.	\$ cts.	\$ cts.	\$ cts.	\$ cts.	\$ cts.
1	53,687 43	11,838 78	49,835 52	84,562 15	71,067 57	98,966 66
2	.....	647	1,545	1,069	2,531	2,940
3	.....	2,899,931 00	3,646,734 66	4,159,188 00	5,502,574 00	2,732,175 00
4	.....	1,815,365 00	5,804,498 66	9,202,098 00	6,573,450 00	5,806,583 00
5	.....	6	55	41	60	103
6	41,277 84	269 73	39,350 70	37,988 49	42,581 71	37,209 85
7	700 00	None.	1,150 20	1,500 00	6,850 00	10,836 75
8	None.	None.	(e) 1,900 00	None.	5,650 00	(e) 4,384 16
9	.....	8,657 23	(a) 46,216 99	69,149 50	(d) 70,000 00	90,290 91
10	21,474 97	3,181 55	18,618 62	33,824 86	28,427 03	24,741 66
11	2,247,209 72	4,568,385 00	These Statements are not called for from this Company.	These Statements are not called for from this Company.	These Statements are not called for from this Company.	82,039 66
12	129,912 89	.....				51,251 12
13	.....	.....				5,806,583 00
14	1,000,000 00	(k) 10,000,000 00				470,760 00
15	1,000,000 00	.....				89,738 00
16	.....	.....				16,666 66
17	.....	.....				.....
18	.....	.....				.....
19	.....	.....				.....
20	.....	.....				.....
21	25,850 00	.....				4,000 00
22	.....	.....				22,308 00
23	.....	.....				47,543 31
24	.....	.....				.....
25	130,000 00	.....				.....
26	1,524,135 92	1,300,000 00				98,966 66
27	.....	.....				2,940
28	.....	.....				2,732,175 00
29	847,580 25	.....				37,209 00
30	.....	.....				.....
31	.....	.....				5,770 00
32	94,384 39	.....				5,066 75
33	35,496 50	.....				4,384 16

submitted in accordance with the 14th Section of the said Act.—Continued.

TO TRANSACT LIFE OR INLAND MARINE INSURANCE BUSINESS IN CANADA.—Continued

24*	26	27*	34	37	No.
The Queen Fire and Life Insurance Company.	The London Assurance Corporation.	The Scottish Provincial Assurance Company.	The Guardian Fire and Life Assurance Office.	The Quebec Fire Assurance Company.	
A. McK. Forbes, General Agent, Montreal.	Romeo A. Stephens, General Agent, Montreal.	A. D. Parker, General Agent, Montreal.	R. Simms & G. Denholm, Joint General Agts., Montreal.	A. D. Riverin, Secretary, Quebec.	
This Company does not separate its Life from its Fire business.	\$ cts.	\$ cts.	The business of this Company in Canada only commenced in the current year, 1869.		1
	52,234 74	(p) 10,000 00			2
	1,154	232			3
	4,236,228 00	852,530 00			4
	(d) 6,500,000 00	1,190,625 00			5
	39	3			6
	16,464 06	1,203 62			7
	None.	2,901 59			8
	None.	None.			
	(m) 51,340 65	7,600 00			9
These Statements are not called for from this Company.	20,894 09	4,000 00	This Company was licensed after the close of the year 1868.		10
					11
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These Statements are not called for from this Company.					25
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STATEMENTS made by Insurance Companies, in terms of the Act 31 Vic.,

I.—FIRE INSURANCE COMPANIES (STOCK). THOSE MARKED * ARE ALSO LICENSED

No.	NUMBER OF LICENSE	1*	4*
	NAME OF THE COMPANY	The British America Assurance Company of Toronto.	The Home Insurance Co., of New Haven, Ct.
	GENERAL AGENTS IN CANADA.....	T. W. Birchall, Managing Director, Toronto.	J. T. & W. Pen-nock, General Agents, Ottawa.
	<i>Additional Statements by sundry Companies (Form B.)—Continued.</i>	\$ cts.	\$ cts.
34	All other claims against the Company.....\$	15,503 57	.....
35	Amount of premiums earned during the year (see above)	(h) 120,937 96	.....
36	Amount of premiums unearned during the year (see above for explanations)	(h) 42,406 70	.....
	<i>Additional Statements by sundry Companies whose Deposits are less than \$100,000 (Form C.)</i>		
37	Amount of premiums received during the year in Canada	\$	68,144 76
38	Less—25 per cent.....\$	These Statements	17,036 19
39	Less—also the amount of losses paid.....\$	are not called	75,279 86
40	Balance, to be deposited in conformity with Sec. 6 of the said Act...\$	for from this	.....
41	Interest, to be deposited do do	Company.	2,100 00
42	Actually deposited against the two preceding items.....\$		2,500 00
43	Date of the Statement.....	Dec. 31st, 1868.	Dec. 31st, 1868.
44	Authenticating Signatures.....	G. P. Ridout, Governor. T. W. Birchall, Secretary.	D. R. Satterlee, President. W. T. Goodsell, Secretary.

† Balance deposited since the date of the above Statement. ‡ With Mr. Hobbs' Return are included Toronto. § These amounts are given as they stood May 1st, 1869. ¶ These Statements are not required (a) Infraction and non-compliance with the terms of the Policy. (b) Also \$1,434,541, Inland Marine for want of just proof. (h) Unearned premiums taken at 35 per cent. (i) Resisted on account of non-unearned premiums from previous year. (m) \$20,000 added for unearned premiums from previous year. from previous year. (p) Business confined to first-class risks in Montreal City alone.

cap. 48, submitted in accordance with the 14th Section of the said Act.—*Cont'd.*

TO TRANSACT LIFE OR INLAND MARINE INSURANCE BUSINESS IN CANADA.—*Continued.*

5*	6*	7*	8*	9*	11	
The North British and Mercantile Insurance Comp'y	The Western Assurance Company of Toronto.	The Liverpool & London & Globe Insurance Co'y.	The Royal Insurance Co'y.	The Etna Insurance Company of Hartford, Ct.	The Imperial Insurance Company.	N ^o
Messrs. McDougall & Davidson, General Agents, Montreal.	Bernard Haldan, Secretary, Toronto.	G. F. C. Smith, Res. Secretary, Montreal.	H. L. Routh, Chief Agent, Montreal.	Robert Wood, General Agent, Montreal.	Messrs. Rintoul Bros., Agents, Montreal.	
\$ cts.	\$ cts.	\$ cts.	\$ cts.	\$ cts.		
These Statements not called for from this Company.	4,228 52 (n) 146,340 02 49,721 54	These Statements not called for from this Company.	These Statements not called for from this Company.	300 00	These Statements not called for from this Company	34 35 36
These Statements are not called for from this Company.	These Statements are not called for from this Company.	These Statements are not called for from this Company.	These Statements are not called for from this Company.	87,000 00 21,750 00 75,858 00 say 2,000 00 †44 00	These Statements are not called for from this Company.	37 38 39 40 41 42
Dec. 31st, 1868.	Dec. 31st, 1868.	.....	Dec. 31st, 1868.	Dec. 31st, 1868.	Dec. 31st, 1868.	43
Macdougall & Davidson, Montreal.	B. Haldan, Secretary. H. Montgomery, Accountant.	..... ..... ..... .....	H. L. Routh, Chief Agent.	R. Wood, Montreal.	Rintoul Bros., Gen'l Agents.	44

the Statements from Messrs. S. C. D. Clark & Co., Managers of the Ontario branch of the said Company, from this Company, but are voluntarily rendered.

risks. (c) Amounts calculated in detail. (d) Estimate. (e) Cause—fraud. (f) Since paid. (g) Resisted existence at the time of the fire of the goods insured. (h) Liability unlimited. (i) \$50,000 added for (n) \$80,000 added for unearned premiums from previous year. (o) \$15,000 added for unearned premiums

STATEMENTS made by Insurance Companies, in terms of the Act 31 Vic., cap.

I. FIRE INSURANCE COMPANIES (STOCK). THOSE MARKED * ARE ALSO LICENSED

No.	12	13	16	17	18*	21
	The Hartford Insurance Co., of Hartford, Ct.	The Northern Fire and Life Ins. Co., of London and Aberdeen.	The Lancashire Insurance Company.	The Phoenix Insurance Company of England.	The Commercial Union Insurance Co'y.	The Provincial Insurance Co., of Canada.
	Robert Wood, General Agent, Montreal.	Messrs. Taylor Bros., General Agents, Montreal.	Wm. Hobbs, Esq., General Agent, Montreal.	Messrs. Gillespie, Moffatt & Co., General Agents, Montreal.	Messrs. Morland, Watson & Co., General Agts, Montreal.	Jas. S. Crocker, Manager, Toronto.
	\$ cts.	\$ cts.	\$ cts.	\$ cts.	\$ cts.	\$ cts.
34	32 00	These Statements	These Statements	These Statements	These State-	15,849 51
35	.....	are not called for from this Com-	are not called for from this	are not called for from this	ments are not called for from	90,290 91
36	.....	pany.	Company.	Company.	this Company.	24,741 66
37	These Statements	These Statements	These Statements	These Statements	These State-	These State-
38	are not called	are not called for	are not called	are not called	ments are not	ments are not
39	for from this	from this Com-	for from this	for from this	called for from	called for from
40	Company.	pany.	Company.	Company.	this Company.	this Company.
41						
42						
43	Dec. 31st, 1868.	Dec. 31st, 1868.	Dec. 31st, 1868.	Dec. 31st, 1868.	Dec. 31st, 1868.	June 30, 1868.
44	Robert Wood, Montreal.	J. W. Taylor, of Taylor Bros.	W. Hobbs, Chief Agent, Montreal. Messrs. S. C. D. Clarke, Chief Agents, Toronto.	Geo. Moffatt, of Gillespie, Moffatt & Co.	Morland, Watson & Co., General Agents	J. S. Crocker, Manager.

48, submitted in accordance with the 14th section of the said Act.—*Concluded.*

TO TRANSACT LIFE OR INLAND MARINE INSURANCE BUSINESS IN CANADA.—*Concluded.*

24*	26	27*	34	37	No.
The Queen Fire and Life In- surance Company.	The London Assurance Company	The Scottish Pro- vincial Assurance Company.	The Guardian Fire and Life Assurance Office.	The Quebec Fire Assurance Company.	
A. McK. Forbes, General Agent, Montreal.	Romeo H. Stephens, General Agent, Montreal.	A. D. Parker, General Agent, Montreal.	R. Simms & Co., and Geo. Denholm, Joint General Agts., Montreal.	A. D. Rayerin, Secretary, Quebec.	
These Statements are not called for from this Company.	These Statements are not called for from this Company.	These Statements are not called for from this Company.	The business of this Company in Canada only commenced in the current year, 1869.	This Company was only licensed after the close of the year 1868, and has ren- dered no Return.	34
					35
					36
These Statements are not called for from this Com- pany.	These Statements are not called for from this Com- pany.	These Statements are not called for from this Com- pany.			37
.....	Dec. 31st, 1868.	.....			38
					39
					40
					41
					42
					43
	R. H. Stephens, General Agent.	.....			44

STATEMENTS made by Insurance Companies, in terms of the Act 31 Vic., cap. 48, submitted in accordance with the 14th Section of the said Act.

II.—FIRE INSURANCE COMPANIES (MUTUAL), LICENSED TO TRANSACT BUSINESS THROUGHOUT CANADA.

No. of LICENSE.....	3
NAME OF THE COMPANY	The Agricultural Mutual Assurance Assoc'n of Canada
MANAGER OR SECRETARY.....	D. C. Macdonald, Secretary. London, Ontario.
ASSETS, VIZ.,	
	\$ cts.
Deposit in the hands of the Receiver General.....	(a) 12,000 00
Cash in Bank, or in the hands of officers or agents.....	48,652 92
Premium Notes liable to assessment (less any amount already assessed thereon).....	133,831 17
Unpaid assessments on notes.....	19,456 03
Guarantee Stock and bills receivable.....	
Short dated notes taken for cash premiums.....	18,753 70
All other property of the Company.....	4,500 00
Total Assets, 1868.....	242,193 82
Do 1867.....	220,121 25
Do 1866.....	211,714 11
LIABILITIES, VIZ.,	
Claims reported, not adjusted	None.
Claims adjusted, not payable.....	None.
Claims payable, not paid.....	None.
Amount required to re-insure all outstanding risks*.....	60,000 00
Money borrowed	
All other claims against the Company	1,200 00
Acknowledged Liabilities	61,200 00
Claims resisted.....	2,000 00
Total Liabilities, 1868.....	59,200 00
Do 1867.....	62,350 00
Do 1866.....	
INCOME, VIZ.,	
Assessments on Notes paid	20,725 67
Cash payments received (premiums).....	47,188 49
Other receipts	1,189 11
Total Income, 1868.....	69,103 27
Do 1867.....	54,665 49
Do 1866.....	48,808 11
EXPENDITURE, VIZ.,	
Claims paid on losses incurred in previous years.....	32,393 03
Claims paid on losses during the year.....	44 16
Rents and taxes.....	8,312 07
Salaries	7,707 89
Commissions	3,471 74
Other payments.....	
Total Expenditure, 1868.....	51,928 89
Do 1867.....	48,640 60
Do 1866.....	

* rate assumed for re-insurance, based on average losses, by the Company's experience, 75cts,

(a) Amount since deposited, \$13,000,

STATEMENTS made by Insurance Companies, &c.—*Concluded.*II.—FIRE INSURANCE COMPANIES, (MUTUAL), &c.—*Concluded.*

MISCELLANEOUS.	Number.	Amount.
Amount of Risks outstanding, <i>i. e.</i> policies in force, 1868.....	30,892	\$23,428,945 00
Do do 1867.....	28,764	20,878,294 00
Do do 1866.....	28,480	19,929,714 00
Amount of risks expired .....1868.....	9,345	6,289,680 00
Do .....1867.....	10,380	6,767,760 00
Do .....1866.....	8,769	5,629,698 00
Amount of Risks taken (new or renewed).....1868.....	11,526	8,390,928 00
Do .....1867.....	10,702	7,791,056 00
Do .....1866.....	9,373	6,853,544 00
Premium notes received during.....1868.....		36,018 36
Do .....1867.....		72,427 18
Do .....1866.....		81,078 06
Amount of losses during the year adjusted.....		32,393 03
Do not yet adjusted.....		
Do disputed.....		2,000 00
Date of establishment of the Company.....		1859.
Head Office.....		London, Ont.
Number of Agencies.....		44
Date of Statement.....		Dec. 31st, 1869.
Authenticating Signature.....		D. C. Macdonald, Secretary.

SUMMARY OF THE FIRE INSURANCE BUSINESS IN CANADA, 1868.

STOCK COMPANIES.

License.	1	2	3	4	5	6	Losses		Companies.
	Premiums of the year.	No. of Policies (new).	Am't of Policies (new).	Amount at risk, Dec. 31st, 1868.	No. of Losses during the year.	Amount of Losses paid.	in suspense.	Resisted.	
	\$	cts.	\$	cts.		\$	cts.	\$	cts.
1	121,162 00	3,033	5,808,849 00	10,287,751 00	152	55,493 67	643 30	3,200 00	British America.
4	68,144 76	.....	.....	3,676,539 00	.....	75,279 86	11,097 00	6,000 00	Home.
5	129,715 82	4,756	11,049,077 00	.....	154	82,212 38	None.	None.	North British and Mercantile.
6	146,061 56	3,561	4,928,084 00	9,703,776 00	111	77,297 74	1,160 00	800 00	Western.
7	.....	.....	.....	.....	.....	.....	.....	.....	Liverpool & London & Globe.
8	237,810 32	11,535	29,487,665 00	26,284,880 00	204	94,229 25	6,355 70	5,150 00	Royal.
9	87,000 00	.....	.....	.....	.....	78,858 00	.....	.....	Etna.
10	57,600 94	2,353	7,150,368 00	5,879,384 00	37	19,384 34	483 57	3,400 00	Imperial.
12	53,687 43	.....	.....	.....	.....	41,277 84	700 00	None.	Hartford.
13	11,838 78	647	2,899,931 00	1,815,365 00	6	269 73	.....	.....	Northern.
16	49,835 52	1,545	3,646,734 66	5,804,498 66	55	39,350 70	1,150 20	1,900 00	Lancashire.
17	84,562 15	1,069	4,159,188 00	9,202,098 00	41	37,988 49	1,500 00	.....	Phoenix.
18	71,067 57	2,531	5,502,574 00	6,573,450 00	60	42,881 71	6,850 00	5,650 00	Commercial Union.
21	98,966 66	2,940	2,732,175 00	5,806,583 00	108	37,209 85	10,836 75	4,384 16	Provincial.
24	.....	.....	.....	.....	.....	.....	.....	.....	Queen.
26	52,234 74	1,154	4,236,228 00	6,500,000 00	39	16,464 06	None.	None.	London Assurance.
27	10,000 00	232	852,530 00	1,190,625 00	3	1,203 62	2,901 59	None.	Scottish Provincial.
34	.....	.....	.....	.....	.....	.....	.....	.....	Guardian. (No business in '68.)
37	.....	.....	.....	.....	.....	.....	.....	.....	Quebec.
	\$1,279,888 25	35,156	\$82,453,403 66	\$92,724,949 66	970	\$699,101 24	\$43,678 11	\$30,484 16	

Mutual Companies, Licensed.

3	\$67,914 16	11,526	\$8,390,928 00	\$23,425,945 00	(a) 50	\$32,393 03	None.	\$1,000 00	Agricultural Mutual.
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To the above should be added, to shew the whole extent of Fire business in Canada, Estimated figures for Companies which have not reported their Fire business separate from Life; for the Quebec Fire Insurance Company, not yet included above, also for the blanks in the returns of the Home, the North British, the Etna, and the Hartford Insurance Companies:—

1	475,000 00	10,200	24,500,000 00	\$51,500,000 00	545	\$254,000 00	\$16,500 00	\$16,000 00
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Estimated Figures for Mutual Insurance Companies registered, but not licensed.

2	\$170,000 00	20,000	\$14,500,000 00	\$36,000,000 00	150	\$110,000 00	\$5,000 00	\$14,000 00
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TOTALS OF CANADA FIRE INSURANCE BUSINESS, 1868.

Premiums paid during the year.....	\$ 1,992,602 41
Number of new and renewal policies.....	76,882
Amount of new policies of the year	\$129,844,331 66
Total amount at risk, December 31st.....	\$203,653,894 66
Number of losses of the year.....	1,715
Amount of Losses paid in the year	\$ 1,095,494 27
Losses in suspense.....	\$ 65,178 11
Losses resisted.....	\$ 61,484 16

STATEMENTS made by Insurance Companies, in terms of the Act 31 Vic., cap. 48, submitted in accordance with the 14th Section of the said Act.

III.—INLAND MARINE INSURANCE COMPANIES.

No. of LICENSE.....	1.	4	6	9	21
NAME OF THE COMPANY	The British America Assurance Company, of Toronto.	The Home Insurance Company of New Haven, Ct.	The Western Insurance Company of Toronto.	The Eta Insurance Company of Hartford.	The Provincial Insurance Company.
GENERAL AGENTS IN CANADA.....	T. W. Birchall, Managing Director, Toronto.	J. & T. W. Pennock, General Agents, Ottawa.	B. Haldan, Secretary, Toronto.	R. Wood, General Agent, Montreal.	J. S. Crocker, Manager, Toronto.
<i>Statements called for from all Companies.</i>					
1. Total premiums received during the year in Canada.....	\$ 48,184 10	\$	\$ 52,029 35	\$ 9,142 06	\$ 100,366 16
2. No. of policies, new, including renewals, issued during the year in Canada.....	1,583		1,226	(d) 200	2,023
3. Amount of the said policies.....	3,890,597 00		2,463,302 00	(d) 500,000 00	3,023,953 00
4. Greatest amount at risk on all policies in force in Canada at one time.....	?		?	?	?
5. No. of policies on which losses have occurred during the year in Canada.....	?		?	?	?
6. Amount of losses in Canada paid during the year.....	14,621 49		15,351 06	5,885 85	46,967 59
7. Amount of losses in Canada due and unpaid.....	None.		None.	None.	None.
8. Amount of losses in Canada adjusted and not due.....	6,714 26		None.	85 45	396 00
9. Amount of losses in Canada in suspense and waiting further proof.....	2,000 00		1,287 50	1,000 00	7,950 70
10. Amount of losses in Canada resisted.....	(a) 5,000 00		None.	None.	11,834 00
11. Amount of premiums earned during the year in Canada, being those received on policies which have expired during the year.....	45,913 23		(b) 51,717 85	9,142 06	(c) 99,775 94
12. Amount of premiums unearned, being those received on policies which have not yet expired.....	2,332 92		3,311 50	None.	10,537 22
Date of Statement.....	Dec. 31st, 1868.	Dec. 31st, 1868.	Dec. 31st, 1868.	Dec. 31st, 1868.	June 30th, 1868.

SUMMARY.

Inland Marine premiums received.....	\$ 207,721 67
Number of Policies—about.	5,032
Amount of policies.....	\$9,877,852 00
Losses paid.....	82,855 99
Losses awaiting payment.....	36,267 91

* Cargo policies probably covering five-sixths of this amount.

(a) Cause—frand. (b) \$3,000 added for “unearned” premiums of the previous year. (c) \$10,000 added for “unearned” premiums of the previous year.
(d) Estimate.

STATEMENTS made by Insurance Companies, in terms of the Act 31 Vic.,

IV.—LIFE INSURANCE COMPANIES. THOSE MARKED * ALSO

NUMBER OF LICENSE.....		2	5*	7*
No.	NAME OF THE COMPANY.....	The Canada Life Insurance Company.	The North British and Mercantile Ins. Co.	The Liverpool and London & Globe Ins. Co.
	GENERAL AGENTS IN CANADA.....	A. G. Ramsay, Manager, Hamilton.	McDougall and Davidson, General Agents, Montreal.	G. F. C. Smith, Res. Secretary, Montreal.
	<i>Statements called for from all Companies.</i>			
1	1. Total premiums received during the year in Canada...	This Company claims that the Law gives it until the 1st of August to make its returns.	\$ 35,866 87	This Company does not separate its Fire and Life business, claiming that the Act does not require it.
2	2. Number of policies issued during the year in Canada..		37	
3	3. Amount of policies issued during the year in Canada..		81,223 31	
4	4. Amount at risk on on all policies in force in Canada...		1,250,000 00	
5	5. Number of policies become claims during the year in Canada.....		5	
6	6. Amount of policies become claims during the year in Canada		14,920 51	
7	7. Amount paid on claims during the year in Canada.....		14,920 51	
8	8. Amount of claims in suspense in Canada.....		None.	
9	9. Amount of claims in Canada resisted.....		None.	
<i>Additional Statements by sundry Companies (Form A.)</i>		These Statements are not called for from this Compy	These Statements are not called for from this Compy.	These Statements are not called for from this Compy
10	Assets of the Company.....			
11	Liabilities do			
12	Amount of Capital Stock of the Company.....			
13	Amount paid thereon.....			
<i>The above Assets consist in part of,</i>				
Deposits under the Act.				
14	1. Dominion Stock			
15	2. Canada 5 per cents.....			
16	3. Canada 6 per cents.....			
17	4. Canada Bank Shares.....			
Other Canadian Investments, viz.,				
18	5. Government securities owned, not deposited.....			
19	6. Municipal Debentures.....			
20	7. Mortgages on Real Estate.....			
21	8. Real Estate owned in Canada.....			
22	Cash in Bank and in hand in Canada.....			
23	Total premiums received by the Company during the year in all countries			
24	Number of policies issued by do do ..			
25	Amount of policies issued by do do ..			
26	Number of policies become claims, do ..			
27	Amount of policies in all countries.....			
28	Expenses of Management, Agencies, &c., &c.....			
<i>Additional Statements by sundry Companies whose deposits are less than \$100,000. (Form C.)</i>		Not called for from this Compy.	Not called for from this Compy.	Not called for from this Compy.
29	Amount of premiums received during the year in Canada..			
30	LESS—25 per cent.....			
31	LESS—also the amount of losses paid.....			
32	Balance, to be deposited in conformity with Sec. 6.....			
33	Interest, do do			
34	Actually deposited, against the two preceding items.....			
35	Date of the Statement.....			
36	Authenticating Signature.....		Dec. 31st, 1868.	
			Macdougall & Davidson, Montreal.	

(a) Since paid. (b) not yet due. (c) Revenue of the Company \$3,423,461 55. Total Insurances in
 † These Statements are voluntarily made, not being required from this Company by the Act.

cap. 48, submitted in accordance with the 14th Section of the said Act.

TRANSACT FIRE INSURANCE BUSINESS IN CANADA.

3*	10	14	15	18*	† 19	20	
The Royal Insurance Company.	The Reliance Mutual Life Ins. Society.	The Phoenix Mut'l Life Ins. Co. of Hartford, Conn.	The Connecticut Mutual Life Ins. Co.	The Commercial Union Insurance Co.	The Travelers Insurance Co. of Hartford.	The Aetna Life Insurance Co., of Hartford, Conn.	N ^o
H. L. Routh, Chief Agent, Montreal.	James Grant, Manager, Montreal.	A. N. Bethune Gen'l Agent, Montreal.	R. Wood, Gen'l Agent, Montreal.	Morland, Watson & Co., Gen'l Agents, Montreal.	T. E. Foster, Gen'l Agent, Montreal.	S. Pedlar & Co., Managers Montreal.	
\$ cts. 34,462 96 27 58,217 42 1,165,837 52	The Canada business of this Company only commenced in 1869.	\$ cts. 25,499 69 246 569,925 00 780,600 00	\$ cts. 51,155 27 444 1,211,650 00 (c) 1,750,000 00	\$ cts. 21,610 51 147 320,470 00 740,210 77	\$ cts. (c) 2,323 60 81 130,700 00 130,700 00	\$ cts. 165,175 73 1,008 2,684,130 00 4,066,896 00	1 2 3 4
3		1	1	2	None.	8	5
7,300 00		4,000 00	3,000 00	1,460 00	None.	29,600 00	6
7,300 00		.....	3,000 00	1,000 00	None.	29,600 00	7
None.		.....	None.	530 00	None.	None.	8
None.		.....	None.	None.	None.	None.	9
These Statements are not called for from this Comp'y	† 3,664,060 00	† 22,669,079 29	These Statements not called for from this Company.	† 1,059,605 24	† 10,462,531 75	10
	2,281,880 50	.....		81,547 82	7,786,532 27	11
	100,000 00	.....		500,000 00	150,000 00	12
	16,000 00	.....		500,000 00	.....	13
	14
	15
	16
	17
	18

Not called for from this Company.	\$ cts.	\$ cts.					
	25,499 69	Not called for	Not called for	Not called for	Not called for	29
	6,374 92	from this	from this	from this	from this	30
	4,000 00	Company.	Company.	Company.	Company.	31
	15,124 77					32
	2,100 00					33
	1,500 00					34
	30,000 00					35
					
					
Dec. 31, 1868.	Dec. 31, 1868.	Dec. 31, 1868.	Dec. 31, 1868.	Dec. 31, 1868.	Dec. 31, 1868.	Dec. 31, 1868.	
J. H. McLaren Liverpool.	E. Fossenden, President, J. F. Burns, Secretary.	W. S. Olmsted, Secretary.	Morland, Wat- son & Co.	T. E. Foster, Chief Agent.	S. Pedlar & Co.	36

force, \$78,539,913 68. (d) Business confined to Ontario and Quebec.

† The Travelers Insurance Company also does an Accidental Insurance business. See next Statement.

STATEMENTS made by Insurance Companies, in terms of the Act 31 Vic., cap. 48,

IV.—LIFE INSURANCE COMPANIES. THOSE MARKED * ALSO

No.	22	23	24*	25	27*	28	29
	The Life Association of Scotland.	The Standard Life Insurance Company.	The Queen Insurance Company.	The Edin'burgh Life Insurance Company.	The Scottish Provincial Insurance Co.	The London & Lancashire Life Assurance Company.	The New York Life Insurance Company.
	P. Wardlaw, Gen'l Agent, Montreal.	W.M. Ramsay, Manager, Montreal.	A. McK. Forbes, General Agt., Montreal	D. Higgins, Secretary, Toronto.	A. D. Parker, Gen'l Agent, Montreal.	T. Simpson, Gen'l Agent, Montreal.	W. Burke, Gen'l Agent, Montreal.
	\$ cts.	\$ cts.			\$ cts.	\$ cts.	\$ cts.
1	116,795 59	112,562 80	This Company does not separate its Life from its Fire Business.	This Company's return is for the year ended 31st March, 1869, and therefore does not belong to the year for which these returns are made.	(d) 72,000 00	13,026 62	9,944 47
2	231	292			217	159	103 00
3	443,450 13	527,552 00			370,000 00	242,450 00	301,600 00
4	3,606,563 73	4,236,915 19			1,703,000 00	501,365 00	302,600 00
5	18	8			10	4	None.
6	34,369 25	15,921 92			28,810 66	6,500 00	None.
7	22,689 23	6,450 16			26,864 00	6,000 00	None.
8	(a) 11,680 02	(b) 9,471 76			1,946 66	500 00	None.
9	None.	None.			None.	None.	None.
10	These Statements not called for from this Company.	†	These Statements not called for from this Company.	These Statements not called for from this Company.	These Statements not called for from this Company.		11,000,822 60
11		19,931,871 51					9,311,540 43
12		(c)					None.
13						481,150 00	
14						48,115 00	
15							
16							
17							
18							
19							
20							
21							
22							
23						150,380 90	3,912,136 07
24		1,802				576	9,105
25		5,374,089 75				1,230,750 00	30,765,947 67
26						13	
27		1,533,344 44				29,250 00	741,043 22
28						46,140 05	725,199 43
29	Not called for	Not called for	Not called for	Not called for	Not called for	\$ cts.	\$ cts.
30						13,026 62	9,944 47
31	from this	from this	from this	from this	from this	3,256 65	2,686 12
32						6,000 00	
33	Company.	Company.	Company.	Company.	Company.	3,769 97	7,258 35
34						2,085 02	2,250 00
35	April 5, 1868.	Nov. 15, 1868.			Dec. 31, 1868.	11,315 28	10,000 00
36	P. Wardlaw, Chief Agent.	D. C. Gregor, Secretary, Edinburgh,			A. D. Parker, Res. Secretary	T. Simpson, Gen'l Agent.	W. Burke, Gen'l Agent. M. Franklin, President.

submitted in accordance with the 14th Section of the said Act.—*Continued.*TRANSACTION FIRE INSURANCE BUSINESS IN CANADA.—*Continued.*

30	31	32	33	35	36	No.
The Atlantic Mutual Life Ins. Co. of Albany. (d)	The Equitable Life Ins. Society of U. S. A.	The Briton Medical and General Insurance Co'y.	The Union Mutual Life Ins. Co. of Maine.	The Star Life Assurance Society.	The National Life Ins. Co., of U. S. A.	
H. C. Allen, General Agent, Brantford.	J. Sinclair, General Agent, Montreal.	Not yet appointed	B. R. Corwin, General Agent, St. John's N.B.	Jos. Gregory, General Agent, Toronto.	J. Douglas, jr. Gen'l Agent, Montreal.	
\$ cts. 4,619 64 140 00 215,000 00 400,000 00 None. None. None. None. None.	\$ cts. 1,299 88 23 98,200 00 141,500 00 None. None. None. None. None.	Business does not appear to have commenced in Canada.	\$ cts. 43,987 70 235 417,400 00 801,400 00 6 12,600 00 12,600 00 None. None.	This Company's Return has not yet been received from England.	This Company's business only commenced in 1869 in Canada.	1 2 3 4 5 6 7 8 9
378,414 02 245,841 00 110,000 00 110,000 00	7,721,077 02 7,009,389 00 100,000 00 100,000 00	..... ..... ..... .....	3,730,836 67 2,686,280 00 None.	These Statements not called for from this Company.	..... ..... ..... .....	10 11 12 13
..... ..... ..... ..... ..... ..... ..... ..... ..... ..... ..... ..... .....	..... ..... ..... ..... ..... ..... ..... ..... ..... ..... ..... ..... .....	..... ..... ..... ..... ..... ..... ..... ..... ..... ..... ..... ..... .....	..... ..... ..... ..... ..... ..... ..... ..... ..... ..... ..... ..... .....		..... ..... ..... ..... ..... ..... ..... ..... ..... ..... ..... ..... .....	14 15 16 17 18 19 20 21 22
.....	4,479,196 61 11,986 51,891,825 00 766,182 63 844,247 73	..... ..... ..... ..... ..... ..... ..... ..... ..... ..... ..... ..... .....	1,336,631 94 3,212 7,239,250 00 113 223,600 00 210,634 34		..... ..... ..... ..... ..... ..... ..... ..... ..... ..... ..... ..... .....	23 24 25 26 27 28
\$ cts. 4,619 64 1,154 91 3,464 73 1,250 00 10,000 00 Dec. 31, 1868.	\$ cts. 1,299 88 324 97 974 91 2,250 00 2,312 00 Dec. 31, 1868.	..... ..... ..... ..... ..... ..... .....	\$ cts. 43,987 70 10,996 92 12,600 00 20,390 78 1,500 00 50,000 00 Dec. 31st, 1868.		Not called for from this Company.	29 30 31 32 33 34 35
L. B. Smith, Secretary.	H. B. Hyde, Vice-President. J. W. Alexander, Secretary.	.....	W. H. Hollister, Secretary.	.....	.....	36

SUMMARY of the Life Insurance business in Canada, 1868.

License.	Premiums of the year in Canada.	No. of policies issued during the year.	Amount of po- licies issued during the year.	Amount of policies, Dec. 31st, 1868.	No. of poli- cies become claims.	Amount of policies become claims.	Claims paid in 1868.	Claims in sus- pense, 1868, Dec. 31st.	Resisted.	Companies.
2	\$ cts.		\$ cts.	\$ cts.		\$ cts.	\$ cts.	\$ cts.		Canada Life.
5	35,866 87	37	81,223 31	1,250,000 00	5	14,920 51	14,920 51		..	North British and Mercantile
7	34,462 96	27	58,217 42	1,165,837 52	3	7,300 00	7,300 00		..	Liverpool & London & Globe
10									..	Royal.
14	25,499 69	246	569,925 00	780,600 00	1	4,000 00			..	Reliance Mutual.
15	51,155 27	444	1,211,650 00	1,750,000 00	1	3,000 00		None.	..	Phoenix Mutual.
18	21,610 51	147	320,470 00	740,210 77	2	1,460 00		530 00	..	Connecticut Mutual.
19	2,323 60	81	130,700 00	130,700 00					..	Commercial Union.
20	165,175 73	1,008	2,684,130 00	4,066,896 00	8	29,600 00	29,600 00		..	Travelers (Life Branch). †
22	116,795 59	231	443,450 13	3,606,563 73	18	34,369 25	22,689 23	11,680 02	..	Ætna Life.
23	112,562 80	292	527,552 00	4,236,915 19	8	15,921 92	6,450 16	9,471 76	..	Life Association of Scotland.
24									..	Standard.
25									..	Queen.
27	72,000 00	217	370,000 00	1,703,000 00					..	Edinburgh Life.
28	13,026 62	159	242,450 00	501,365 00	10	28,810 66	26,864 00	1,946 66	..	Scottish Provincial.
29	9,944 47	103	301,600 00	302,600 00	4	6,500 00	6,000 00	500 00	..	London and Lancashire.
30	4,619 64	140	215,000 00	400,000 00					..	New York Life.
31	1,299 88	23	98,200 00	141,500 00					..	Atlantic Mutual.
32									..	Equitable of U. S. A.
33	43,987 70	235	417,400 00	801,000 00	6	12,600 00	12,600 00		..	Briton.
35									..	Union Mutual.
36									..	Star.
									..	National.
	\$710,331 33	3,390	\$7,671,967 86	\$21,577,188 21	66	\$158,482 34	\$130,423 90	\$24,128 44	..	

To the above should be added, to shew the whole extent of Life Insurance business in Canada, the estimated figures for the "Liverpool and London and Globe" and the "Queen" Insurance Companies, which have not separated their Life from their Fire business, also for the "Canada Life Insurance Company," the "Edinburgh Life Insurance Company," the "Star Life Insurance Company," and the whose returns are not included above:—

250,000 00	600	\$1,300,000 00	\$8,000,000 00	40	\$80,000 00	\$80,000 00
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TOTALS OF LIFE INSURANCE BUSINESS IN CANADA, 1868.

Premiums paid during the year.....	\$	960,331 33
Number of new policies.....		3,990
Amount of new policies of the year	\$	8,971,967 86
Total amount of policies.....	\$	29,577,188 21
Number of policies become claims during the year		106
Amount of policies become claims during the year	\$	238,482 34
Claims paid during the year.....	\$	210,423 90
Claims in suspense	\$	24,128 44
Resisted.....		None.

† For Accident business see next Statement.

STATEMENTS made by Insurance Companies, in terms of the Act 31 Vic., cap. 48, submitted in accordance with the 14th section of the said Act.

V.—ACCIDENT INSURANCE COMPANIES.

NUMBER OF LICENSE.....	19
NAME OF THE COMPANY.....	{ The Travelers Insurance Company of Hartford, Ct. *
GENERAL AGENTS IN CANADA.....	{ T. E. Foster, Montreal.
<i>Statements called for from all Companies.</i>	
1. Total premiums received during the year in Canada.....	\$ 19,059 99
2. Number of policies issued during the year in Canada.....	
3. Amount of policies issued during the year in Canada.....	
4. Amount at risk on all policies in force in Canada.....	
5. Number of policies become claims during the year in Canada.....	9 deaths and 81 injuries.
6. Amount of policies become claims during the year in Canada.....	11,293 48
7. Amount paid on claims during the year in Canada.....	
8. Amount of claims in suspense in Canada.....	
9. Amount of claims in Canada resisted.....	
<i>Additional Statements by sundry Companies. (Form A.)</i>	
Assets of the Company.....	{ See "Life" Insurance Statements for these particulars.
Liabilities of the Company.....	
Amount of Capital Stock of the Company.....	
Amount paid thereon.....	
Total premiums received by the Company, during the year, in all countries.....	588,444 17
Number of policies issued by the Company, during the year, in all countries.....	28,098
Amount of do do.....	69,995,780 00
Number of policies become claims.....	
Amount of do do.....	228,268 50
Expenses of Management, agency, &c.....	302,660 10
Date of the Statement.....	1st July, 1868.
Authenticating Signature.....	T. E. Foster.

* This Company also does Life Insurance business in Canada.

Companies which have not separated their Fire and Life Insurance business.

	The Liverpool & London & Globe Ins. Company.	The Queen Insurance Co'y.
	\$ cts.	\$ cts.
Premiums received in Canada.....	308,755 71	105,875 56
Number of policies issued.....	5,345	2,903
Amount of policies issued.....	11,998,762 00	5,802,690 00
Amount at risk in Canada.....	24,014,782 00	17,472,637 00
Number of policies become claims in Canada during the year.....	325	76
Amount paid of do do.....	207,412 48	35,163 01
Amount in suspense.....	14,007 87	2,489 96
Amount resisted.....	(a) 15,011 00	(a) 586 00
Date	Dec. 31st, 1868.	Dec. 31st, 1868.
Signature	G. F. C. Smith, Res. Secretary.	A. McK. Forbes, General Agent.

(a) Cause—fraud.

RECEIPTS.		PAYMENTS.	
	\$		\$
To Balance as at 30th April, 1867.....	856,407 54	Expense Account.....	\$28,287 40
" Premiums received on 447 new Policies and Renewals.....	\$130,867 77	Vote for Board.....	1,600 00
" Interest earned on Investments, &c.....	51,146 29	10 per cent. written off Office Furniture.....	189 79
" Extra Risks.....	266 92	Written off Investments.....	\$12,558 25
" Fines.....	165 50	Do Company's Offices.....	1,200 00
		Unpaid Half Premiums written off (on Half credit Policies suspended, Re-Assurance Premiums.....	
		Claims paid.....	3,205 06
		Cancelled (purchased) Policies.....	634 12
		Annuities paid (three).....	63,800 00
		Deposits withdrawn.....	2,560 87
		Profits of Mutual Branch, paid as Bonus.....	842 34
		do do Cash.....	294 78
		do do Permanent Reduction.....	
		20th Year's Dividend, paid on 2,500 shares.....	7,297 52
		Leaving a balance—which is distributed as under.....	6,250 00
		Cash in hand and in Bank.....	129,320 13
		Cash in Agents and others' hands, including receipts held by them for Premiums which have since been paid... 32,138 07	909,533 89
		Investments.....	\$1,038,854 02
		Real Estate—Co.'s Offices.....	
		do other property... 63,666 56	
		Less written off, but in suspense.....	
		Interest accrued to 30th April, 1868.....	\$800,039 18*
		Half-yearly and Quarterly Premiums, secured on Policies, and payable within 9 months.....	11,275 00
		Deferred Half-payments on Half-credit Policies.....	38,277 03
		Office Furniture.....	15,465 93
			1,708 14
			\$909,533 89

* This sum includes \$20,000, being balance of amount estimated as that which may be required to meet losses arising upon old investments, and applicable to transactions not yet closed.

JOHN FERRIE, Vice-President,
A. G. RAMSAY, Manager and Secretary.

GENERAL ABSTRACT

Of the estimated Assets and Liabilities of the Canada Life Assurance Company, as at 30th April, 1868.

ASSETS.		LIABILITIES.	
	\$ cts.		\$ cts.
Cash in hand and in Bank.....	\$9,830 49	Capital Stock paid up	125,000 00
Cash in Agents' and others hands, including Receipts held by them for Premiums, which have since been paid	32,138 07	Balance of money lodged for accumulation.....	\$204 97
		Balance of money unclaimed, at credit of Depositors in Hamilton Deposit and Savings Bank.....	223 87
Mortgages on Real Estate (Value in account).....	191,032 51	Claims not fully due, or for which claimants had not presented perfect discharges at 30th April, 1868, (nearly all since paid).....	27,500 00
Debentures, (Value in account):		Vested additions thereto	397 23
Canada Government 5 per cents.....	\$95,782 17	Cash profits on Policies remaining unpaid at 30th April, 1868.....	203 19
City	30,515 38	Re-Assurance premiums of 21st year unpaid at 30th April, 1868...	24 65
County.....	87,534 12	Value of Assurances of \$4,013,268 93, and Annuities of \$851 83, as at 30th April, 1865, that being the date of the last investigation.....	1,172,014 64
Township	3,341 65		1,326,068 55
Town	146,364 10	Balance, taking into account the value of the Premium Income on the one side, and the Assurance Liabilities on the other, both as at 30th April, 1865, that being the date of the last investigation; and including in it the value of certain lapsed Policies, which might then have been revived within 13 months....	*703,405 25
School.....	407 14		
Montreal Harbours	94,788 48		
Village	3,832 60		
Stock in Hamilton Gas Company.....	402,565 62		
Bills Receivable.....	3,040 00		
Loans on Policies	1,643 68		
Loans on Debentures	28,356 33		
Balance of sum paid on account of the Hamilton and Gore District Savings Bank.....	1,000 00		
Real Estate—The Company's Offices.....	1,027 21		
Other Property	129,177 95		
	\$808,843 30		
Deduct amount written off, but in suspense.....	\$9,004 12		
Deduct balance of estimated amount of probable losses	20,000 00		
	28,004 12		
	\$750,839 18		
Interest accrued on Debentures, &c.....	11,275 00		
	792,114 18		

Half-yearly and Quarterly Premiums secured on Policies, and payable within nine months.....	38,277 08
Deferred half-payments on half-credit Policies	53,743 01
Office Furniture	1,703 14
Value of Premium Income of \$100,430 77, as at 30th April, 1865, that being the date of the last investigation.....	\$89,533 89
	\$1,139,939 91
	\$2,029,473 80

* NOTE.—In the valuations upon which the Divisions of Profits are based, only the net or pure Premiums are taken into account.

Audited and approved,
(Signed,) G. A. BARBER.

(Signed,) JOHN FERRIE, Vice-President.

A. G. RAMSAY, Manager and Secretary.

The Canada Life Assurance Company,
Hamilton, 23rd July, 1868.

The Canada Life Assurance Company,
Hamilton, 23rd July, 1868.

STATEMENT of Receipts and Expenditure of the Beaver Mutual Fire Insurance Association, Toronto, for the year ending 30th Nvember, 1868.

Dr. RECEIPTS.		EXPENDITURE. Cr.	
	\$ cts.		\$ cts.
To balance of Cash in hand and in Bank, 30th November, 1867	2,177 56	Guarantee Fund, Instalments repaid.....	200 00
Cash received, Prem. Notes and Assessments..... \$23,010 62		Fire Claims.....	13,114 62
" Cash Premiums 7,709 92		Deposits repaid	756 39
" Live Stock... 357 66		Toronto M. F. Ins. Co. Guarantee Stock..	3,000 00
" Arrears..... 370 35		Bills Receivable.....	1,197 89
	28,448 55	Returned Premiums	104 94
Re-insurances	45 45	Expenses—	
Bills payable..... 2,465 74		Travelling Expenses.....	\$759 16
		Auditing Accounts.....	100 00
		Rent and Taxes.....	205 00
		Postage.....	577 57
		Petty Expenses.....	161 79
		Advertising, Printing and Sta- tionery	350 47
		Writing Policies, &c.....	173 19
		Legal and Detective Expenses	268 95
			2,596 13
		Re-Insurances.....	768 25
		Commission to Agents.....	5,601 40
		Salaries.....	4,309 73
		Directors' Fees	402 23
		Interest.....	451 51
		" on Guarantee Stock	170 50
		Cash in hand and in Bank	463 71
	\$33,137 30		\$33,137 30

Examined and found correct,

T. J. THOMPSON, Treasurer.

HENRY PELLATT, }
GEO. B. HOLLAND, } Auditors.

Toronto, 9th February, 1869.

STATEMENT of Assets and Liabilities, 30th November, 1868.

ASSETS.		LIABILITIES.	
	\$ cts.		\$ cts.
Cash in hand and in Bank	463 71	Payments in Guarantee Fund	2,085 79
Premium Notes liable to Assess- ment..... \$91,681 10		Bills payable, including Fire Claims set- tled but not due.....	15,826 35
Less Assessments collected..... 22,792 78		Fire Claims since settled.....	1,427 14
	68,888 32	Current Interest on Guarantee Stock.....	191 19
Short date Notes taken for Cash Premiums	2,127 89	Directors' Fees and Travelling Expenses	720 10
Arrears on expired Policies, estimated at	750 00	Deposits on Interest.....	171 00
Office Furniture	228 50	Printing	293 93
Bills Receivable.....	1,197 89	Salaries	363 29
Toronto Mutual Fire Insurance Company		Agents' Balances due.....	118 62
Guarantee Stock.....	3,000 00	All other Liabilities, including Premium	
Sundries	227 14	Notes given for Re-Insurance.....	2,754 65
			\$23,952 06
		Balance of Assets over Liabilities.....	52,931 39
	\$76,883 45		\$76,883 45

STATEMENT of Receipts and Expenditure of the Toronto Mutual Fire Insurance Company, for the year ending 31st December, 1868.

RECEIPTS.		EXPENDITURE.	
	\$		\$
Cash on hand January 1st, 1868.....	422 02	Fire Claims, Household Branch.....	\$ 722 83
do 1st Payments on Premium Notes, Household Branch.....	\$1601 61	do Mercantile do	3766 83
do do Mercantile do	2727 25	Printing and Advertising, 1867 and 1868	4489 66
do Assessments on do do	1687 26	Bill Stamps and Postages	614 99
do do Household do	1005 12	Parliamentary Expenses	171 46
do Premiums on Re-insurances, H. B.....	2692 38	Legal Expenses	165 43
do do do	2229 43	Petty do	213 59
do do on Cash Policies, Household Branch	310 29	Travelling do	44 74
do do Mercantile	779 00	Rent and Taxes	395 85
do Insurance, Carpenters' Risks.....	13 08	Writing Policies	130 57
do Guarantee Stock	3898 96	Commission to Agents	179 80
do Re-insurance Claim	415 30	Office Furniture.....	2567 72
do Charges	20 25	Directors' Fees.....	35 00
		Salaries.....	292 33
		Interest on Guarantee Stock and Bills payable	2909 93
		First Payments and Assessments on Policies Re-insured.....	58 21
		Returned Premiums on Declined and Cancelled Policies, M. B.	1205 59
		do do	436 97
		Auditing Accounts	69 43
		Cash on hand January 1st, 1869	30 00
		do in Agents' hands.....	40 82
			1057 48
	\$15109 57		\$15109 57

H. HANCOCK,

Secretary and Treasurer.

Audited this 27th February, 1869,

JOHN MAUGHAN,
Auditor.

STATEMENT of Assets and Liabilities of the Toronto Mutual Fire Insurance Company, for the year ending 31st December, 1856.

ASSETS.		LIABILITIES.	
	\$ cts.		\$ cts.
To Cash on hand and in Agents' hands.....	1098 30	By Receipts on Guarantee Stock.....	4934 13
" Premium Notes liable to Assessments, Household Br..	23782 58	" Bills payable	1823 16
" Less 1st Payments and Assessments.....	2900 68	" " for Fire Claims Settled, but not ma- tured.....	904 39
" Premium Notes liable to Assessments	43342 35	" Fire Claims, since settled	2986 66
" Less 1st Payments and Assessments.....	6763 44	" Claims in dispute	750 00
" Office Furniture.	36578 91	" Printing.....	46 28
	98 18	" Salaries	867 52
		" Legal Expenses	162 22
		" Premium Notes given for Re-insurance, liable to As- sessment, Household Branch.....	114 40
		" do Mercantile Branch.....	8867 31
		" Interest on Guarantee Stock.....	183 00
		Balance of Assets over Liabilities.....	21649 47
	\$57637 29		36007 82
			\$57637 29

H. HANCOCK,
Secretary and Treasurer.

Toronto, 29th Marh, 1869.

M E S S A G E.

JOHN YOUNG.

The Governor General transmits for the information of the House of Commons, copies of agreements entered into with the Post Master General for the conveyance of mails by the Grand Trunk Railroad and Steam Shlp Lines between the United Kingdom and *Canada*.

GOVERNMENT HOUSE,

Ottawa, 27th April, 1869.

MEMORANDUM of Agreement entered into between the Post Master General and Mr. *Brydges*, on behalf of the Grand Trunk Railway Company.

1. The Grand Trunk Railway Company agrees to enter into a contract to continue in force from 1st August, 1868, to 31st December, 1871, to perform Mail Service as follows upon a Railway mileage counted thus:

<i>Sarnia</i>	to	<i>Toronto</i>	168 $\frac{1}{2}$
<i>Toronto</i>	"	<i>Montreal</i>	333
<i>Montreal</i>	"	<i>Quebec</i>	172 $\frac{1}{2}$
<i>Richmond</i>	"	<i>Boundary Line</i>	55
<i>Montreal</i>	"	<i>St. John's</i>	27
<i>St. Mary's</i>	"	<i>London</i>	22 $\frac{1}{4}$
<i>Quebec</i>	"	<i>Rivière du Loup</i>	126
<i>Arthabaska</i>	"	<i>Three Rivers</i>	35 $\frac{1}{2}$
<i>Montreal</i>	"	<i>Province Line (Hemmingford)</i>	40
<i>St. John's</i>	"	<i>Rouse's Point</i>	23

Miles 1002 $\frac{1}{2}$

2. The Service to consist of a train between *Sarnia* and *Quebec* each way daily (Sunday excepted) to leave *Sarnia* and *Quebec* respectively each evening and to run through continuously.

In addition a night train between *Montreal* and *Toronto* each way daily (Sundays excepted) to run continuously in connection with a day train between *Toronto* and *St. Mary's* so as to give a second continuous service between *Montreal* and *St. Mary's*.

The above trains to stop at such Stations as may be designated by the Post Office.

3. Upon all Branches one train at least is to be run each way daily (Sundays excepted) stopping at all Stations.

4. In addition to above the Post Office to have the use of every other Passenger Train which may be run by the Company during the Contract, and the Company to attach a Post Office car to each train if required thereto by the Post Office.

5. The Post Office compartment to consist of a space of sixteen feet long by the width of the Car, to be fitted up according to Post Office specification and comfortably heated and lighted.

6. The Officers of the Post Office to be carried in the Post Office compartment free of charge and free passes to be issued as heretofore.

7. A convenient room to be provided at the *Montreal* and *Toronto* Stations for the accommodation of an officer of the Post Office to be stationed at each of those points.

8. Special trains between *Montreal* and *Quebec*, and between *Montreal* and *Portland* to be furnished for the conveyance of the Weekly Mails to and from the Canadian Ocean Steamers at *Portland* or *Quebec* as the case may be, except at such times as the regular train may in the opinion of the Postmaster General be used for the purpose without causing inconvenient detention to the said Ocean Mails, sufficient car space to be specially appropriated to the Ocean Mails whether conveyed by special or regular trains and to be fitted up as the Postmaster General may require to enable said Mails to be assorted by the way.

9. All side Service to be performed by the Company as provided for in previous Contract with special provision of closed vans between Stations and Post Offices at *Montreal* and *Toronto*.

10. The rate to be paid for the above described service to be made up as follows: One hundred and sixty dollars per mile of railway per annum for all services exclusive of Special Train Service between *Portland* and the *Boundary Line*, for which a payment will be allowed equal to seven dollars additional per mile per annum on the total mileage, and making together a total compensation for all services of one hundred and sixty-seven dollars per mile of Railway per annum, equivalent upon the Railway mileage on which this agreement is based, to \$167,417.50 a year.

Payments to be made Quarterly, at Post Office Quarterly periods.

11. That this Contract is subject to be abrogated by the Commons House of Parliament should it see fit.

Ottawa, 7th April, 1869.

(Signed,) A. CAMPBELL,
Postmaster General,

(Signed,) C. J. BRYDGES,
Managing Director,
G. T. R. Co.

THIS AGREEMENT made the twenty-third day of March, in the year of Our Lord one thousand eight hundred and sixty-nine, between *Hugh Allan*, of the City of *Montreal*, in the Province of *Quebec*, in the Dominion of *Canada*, Ship-owner, and the Honorable *Alexander Campbell*, Postmaster General of the said Dominion, witnesseth that :

1. The said *Hugh Allan* doth hereby promise and engage and bind and oblige himself, his heirs and assigns to establish, maintain and keep up a regular line of large and powerful Steamers to ply between the Port of *Liverpool* and the Port of *Quebec* or *Montreal*, once in every seven days during the season of and for the navigation of the River *St. Lawrence*, and between the Ports of *Liverpool* and *Portland* once also in every seven days during the winter.

2. That the said Steamers shall be first class Vessels, and the line shall consist of the *Austrian*, *Hibernian*, *Moravian*, *Peruvian*, *Nestorian*, *Prussian*, *North American* and *Nova Scotian* and such other vessels as may be subsequently built or purchased ; but no Steamer thus built or purchased is to be of less size or power than the *Hibernian*.

3. That the said *Hugh Allan* agrees to perform the service to and from *Liverpool* and to and from *Quebec* or *Montreal* during the *St. Lawrence* navigation until its close, every year, and make at least twenty-six trips from *Liverpool* to *Quebec* or *Montreal* during the *St. Lawrence* navigation, and at least twenty-six trips from *Quebec* or *Montreal* to *Liverpool* during the said time, and the communication between *Liverpool* and *Portland* shall commence each year at the time of the close of the navigation of the River *St. Lawrence*, and shall continue until the opening thereof, and during that time the said *Hugh Allan* shall be bound to make weekly trips from *Liverpool* to *Portland*, and weekly trips from *Portland* to *Liverpool*, so that during each year there shall be provided a weekly service of fifty-two voyages both to and from *America* ; the said Contractor hereby binding himself to call with each of the said Steamers and receive and land the mails at *Londonderry* or such other port in *Ireland* as may be from time to time decided upon by the Postmaster General of *Canada*.

4. That one of the said steamers shall leave *Liverpool* and one shall leave *Quebec* or *Montreal* once every seven days during the *St. Lawrence* navigation season, and that one shall leave *Liverpool* and *Portland*, respectively, also once every seven days during the time when the navigation shall be closed on the River *St. Lawrence* in the winter.

5. That the said Contractor shall have the option from time to time of deciding on the Port of *Quebec* or that of *Montreal* for the termination of the trips of the said vessels to the *St. Lawrence* as the state of the water in the river and lake, or other cause may, in his judgment, make it advisable ; but he shall not have the right to terminate the voyage at *Quebec* without the sanction of the Postmaster General, except in cases when the steamer may reach *Quebec* too late to admit of an extension of the voyage to *Montreal*.

6. That the steamers are never to approach *Cape Race* when the weather is so foggy or tempestuous as to make it dangerous to do so.

7. That the service under this Contract shall commence on the first day of April, eighteen hundred and sixty-nine, (1869,) and shall continue up to and until the first day of April, eighteen hundred and seventy-two, (1872), and shall not then terminate, but shall continue in force thereafter in all its provisions until either party to the Contract shall give to the other party twelve months previous notice of a desire to terminate the same, and then in such case at the expiration of such twelve months notice the contract shall absolutely cease and determine, and during the continuance of the contract the said contractor shall be bound to carry by each trip of the said steamers such mails as may be given to him or to the officers in charge of his vessels by the Postmaster General of *Canada* for transmission to *Liverpool* or *Ireland*, or by the Post office authority in *Liverpool* or *Ireland* for carriage to *Canada*, or such other mails between the said Ports as may be required to be carried at the instance or by the command of the said Postmaster General.

8. That the mails be received and delivered respectively by the contractor at *Liverpool*, *Londonderry*, *Quebec* or *Portland*, as the case may be, and the expenses of conveying the mails to the steamships from the said places and from the Steamships to the said places is to be borne by the Contractor.

9. That there is to be no liability under this contract on the part of the said Contractor for the contents of the said Mails when the same are not delivered, in case the failure to deliver the same is the result of the dangers of the Sea or of such as are peculiar to Steam Navigation and not caused by neglect or want of proper skill or by misconduct on the part of the said Contractor, his Agents or Servants.

10. That the said Contractor shall find and furnish sufficient accommodation and space on board each of the said steamers for keeping the Mails and for assorting and distributing the same on board, and to be called "Post Office," and to fit up such apartments in such manner as the said Postmaster General shall require, and also shall and will carry and transport on board each of such Steamers such Officers and Clerks not exceeding two in number in each Steamer, for the purpose of guarding, assorting and taking care of such Mails, and to find and provide them with the usual rations and Cabin accommodation.

11. That the said Contractor shall furnish and supply the said Steamers with sufficient fuel, stores and provisions, tackle and all things needful and necessary to enable them to perform the voyages contracted for, and to secure the safety of the Mails and Passengers.

12. That the said Contractor shall and will from time to time and at all times during the continuance of this contract, make such alterations or improvements in the construction, equipments or machinery of each and every of the said vessels, which shall be used by him in the performance of this Contract as the advanced state of science may suggest, and advertise the sailing of the Steamers in *Europe* and *America* in such manner as the Governor in Council may direct.

13. That the days for the departure of the said Steamers shall be appointed by His Excellency the Governor General in Council, and so often as he may think fit and proper for the best interests of the public service, provided that in cases of changes, two months notice be given to the contractor by the Government.

14. That the said Postmaster General shall in case of need, have the right to delay the sailing of any of the said ships for the space of twenty-four hours.

15. That the Postmaster General shall have the right to delay the sailing of any of the said ships for a further space of time not exceeding forty-eight hours, and for such additional delay the Contractor shall be entitled to claim payment at the rate of one hundred pounds currency for each twenty-four hours of delay beyond the first twenty-four hours provided for in the preceding clause.

16. That the said *Hugh Allan* doth bind and oblige himself to have at all times the command of a sufficient number of steamers of the description aforesaid to perform the trips hereinbefore mentioned and agreed upon, and that the time occupied by the said steamers on the outward passage from *Liverpool* shall not exceed fourteen days and on the homeward passage shall not exceed thirteen days on an average of the trips performed every three months, but if from the prevalence of tempestuous weather the outward passages from *Liverpool* to *Portland* during the months of December, January and February should, in any year, exceed fourteen days on an average of the trips performed during the said three months, the said *Hugh Allan* shall not be subject to any penalty in consequence thereof, provided the average of such outward trips for the said named months does not exceed fifteen days.

17. That in reckoning the time occupied by the Steamers on the outward voyages, allowance shall be made for the time during which the Steamers may wait at *Londonderry* for the arrival of the mails for *Canada*.

18. That when the presence of fog or ice makes it dangerous to run the Vessel at full speed, it shall be the duty of the Captain either to slacken the speed or to stop the Vessel as occasion may require, and the time lost by doing so, if proved to the satisfaction of the Postmaster General as hereinafter mentioned shall be allowed to the Contractor in addition to the time specified for the length of the voyage.

19. That the proof shall be by a report of the facts, made and sworn to by the Captain, and such other evidence as the Contractor shall adduce or the Postmaster General shall require or obtain, and the proof to be submitted by the said *Hugh Allan* shall be submitted to the Postmaster General immediately after the arrival of the Steamer at her port, namely, at *Quebec*, *Portland* or *Liverpool*, such report and affidavit of the Captain as to the time lost and the necessity thereof, shall be sufficient *prima facie* evidence for the purpose of the preceding clause.

20. That in the event of any serious accident happening to any of the Steamers employed under this Contract whereby she may be disabled from making her homeward voyage the Contractor will be at liberty to substitute another Steamship to carry the Mails for that trip only.

21. That the said Contractor shall not be called upon to pay for Dominion light or other similar dues during this contract, to which the said Contractor as owners of the Steamers to be employed on the said Service should be liable.

22. That in case the average length of the outward or homeward voyages in any three months exceeds the contract time subject to the allowance already provided for, the Contractor shall pay one hundred pounds currency for every twenty-four hours of such excess for the first one hundred and forty-four hours excess upon the aggregate of the voyages of such three months as compared with the contract time, and two hundred pounds currency for every twenty-four hours of excess beyond the first one hundred and forty-four hours of excess upon such three months voyages.

23. That no penalty shall be incurred by any delay occasioned by shipwreck or accident not arising from misconduct or from want of skill or foresight on the part of the Contractor or his Servants, or occasioned by adding vessels in distress or their passengers.

24. That the said *Hugh Allan* doth bind and oblige himself to pay to the Receiver General of *Canada* for every trip not performed according to this contract a penalty of five thousand dollars; and shall not be entitled to the payment for the trip or trips not made in proportion to the amount of the present contract for the whole of the trips contracted for.

25. That the present contract is made for and in consideration of the sum of fifty-four thousand five hundred pounds currency, (£54,500 currency) per annum, to be paid quarterly to the said Contractor by the said Postmaster General, the first payment to be made on the first day of July eighteen hundred and sixty-nine (1869.)

26. That it shall be at the option of the Government of *Canada* to put an end to this contract and render the same null and void at any time, should the terms and conditions thereof not be fairly fulfilled and carried out in their true and honest meaning, and this without being obliged to have recourse to law; but this contract shall not be voidable by the Government so long as the terms and conditions of it are fairly fulfilled and carried out in their true and honest meaning, and the right of the Government to annul the same for any cause shall be decided on by some tribunal having jurisdiction in such matters if such there be, or by any tribunal which may be created or appointed by Parliament for this purpose, and such tribunal shall decide summarily and without appeal by the said *Hugh Allan*, and may for the sake of expedition and substantial justice, dispense with the form and rules of procedure applicable to other cases.

27. That should the Government of *Canada* determine upon annulling the contract, no penalty shall be payable for the breach or any of the breaches for which this contract shall be so annulled.

28. That should the Postmaster General appoint any other Port in *Ireland* than *Londonderry* for receiving and delivering the Mails, such other variations shall be made in the conditions of the contract as may be equitable in consequence of such changes of Port.

29. That the said Contractor will have the power to void this contract at any time by giving the Government twelve months previous notice of his intention to do so.

30. That this contract is made subject to the sanction of Parliament at its next Session.

In witness whereof the said parties have hereunto set their hands and seals, this twenty-third day of March, in the year of Our Lord one thousand eight hundred and sixty-nine.

(Signed,)

HUGH ALLAN,

(L. S.)

(Signed,)

A. CAMPBELL, P. M. G.

(L. S.)

Signed, sealed and delivered in presence of

(Signed,) W. H. GRIFFIN.

Ottawa, 23rd March, 1869.

HALIFAX MAILS.

ARTICLES OF AGREEMENT made the twelfth day of April, in the year of our Lord, one thousand eight hundred and sixty-nine, between the Honorable *Alexander Campbell*, Her Majesty's Postmaster General in and for the Dominion of *Canada* for the time being, of the first part; *William Inman*, of *Liverpool*, in the County *Palatine of Lancaster*, in that part of *Great Britain* called *England*, (which said *William Inman*, and his executors and administrators are hereinafter described "the Contractors,") of the second part; and *Thomas Langton Birley*, of *Carr Hill, Kirkham*, in the County of *Lancaster* aforesaid, Esquire, and *Charles Inman*, of *Liverpool* aforesaid, of the third part; WITNESS that the said *William Inman* for himself, his heirs, executors and administrators, doth hereby covenant with the Postmaster General of *Canada*, his executors, administrators, successors and assigns, Her Majesty's Postmaster General for the Dominion of *Canada* for the time being, in manner following (that is to say):—

1. The contractors will faithfully convey or cause to be conveyed, by good and sufficient steam-vessels, all Her Majesty's Mails (which designation shall for the purposes of this contract be considered as including all bags, boxes or packets of letters, newspapers, books or printed papers, and all other articles transmissible by post, without regard either to the place to which they may be addressed or to that in which they may have originated,) also all empty bags, empty boxes, and other stores and articles used, or to be used, in carrying on the Post Office service, which shall be sent by or to or from the Post Office, which the said Postmaster General or any of his officers or agents shall require to be conveyed from the Port of *Queenstown*, in *Ireland*, to the Port of *Halifax*, in *Nova Scotia*, on every alternate Sunday, (with liberty, however, to the Contractors, in cases where there shall be Steerage Passengers embarking by the said steamers at *Queenstown*, to wait there until such time on Monday as the clearance of the said Steamers by the Government Emigration Officers can be duly completed and obtained,) and from *Halifax* to *Queenstown* on every alternate Friday, at such hours as the Postmaster General shall appoint, and shall and will at their own costs and charges, duly receive and safely deliver such Her Majesty's Mails at *Queenstown* and *Halifax* respectively.

2. From and after the sixth day of July, one thousand eight hundred and sixty-eight, and thenceforward on every alternate Saturday or Monday, as may from time to time be appointed by the said Postmaster General during the continuance of this Contract, the Contractors will, at such hour as the said Postmaster General shall appoint, provide at the said Port of *Queenstown* a good and sufficient Steam-vessel in every respect ready for sea, for the conveyance of the said Mails, and such vessels shall immediately after Her Majesty's Mails are put on board, proceed without loss of time direct to *Halifax*, and will, on Friday, the third day of July, one thousand eight hundred and sixty-eight, and thenceforward on every alternate Friday during the continuance of this Contract, at such hour as the said Postmaster General shall appoint, provide at the said Port of *Halifax* a good and sufficient Steam-vessel, in every respect ready for sea, for the conveyance of the said Mails, and such vessel shall immediately after Her Majesty's Mails are put on board, proceed without loss of time direct to *Queenstown*.

3. A separate and secure place of sufficient size, protected from leakage, and under lock and key, shall be provided in each of such Steam-vessels for the deposit and safe custody of Her Majesty's Mails, and the place so provided shall be subject to the approval of the Postmaster General for *Canada* for the time being, or of such person as he shall appoint to inspect and approve the same, and the Masters or Commanders of such vessels shall take due

care of, and the Contractor shall be responsible for the receipt and delivery of the said Mails, and each of such Masters or Commanders shall make the usual declaration or declarations required or which may hereafter be required by the Postmaster General in such and similar cases, and furnish such journals, returns and information to and perform such services as the Postmaster General or his agents may require, and every such Master or Commander or Officer duly authorized by him having the charge of Mails, shall immediately on the arrival at *Halifax* or *Queenstown* of every such vessel, deliver all Mails into the hands of the Postmaster or such other person at such places respectively as the Postmaster General shall authorize to receive the same.

4. The Contractors shall not convey in any of the vessels employed under this Agreement, any Nitro-Glycerine or other articles which shall have been declared at Lloyd's to be specially dangerous.

5. The Contractors and all Commanding and other Officers of the vessels employed in the performance of this Agreement, and all agents, seamen, and servants of the Contractors, shall at all times punctually attend to the orders and directions of the Postmaster General, his officers or agents, as to the mode, time and place of landing, delivering and receiving Mails.

6. All the costs and charges of providing the vessels to be employed under this Contract, and the furniture and tackle thereof, and the keeping the same vessels seaworthy and in repair, and all the salaries and wages of the officers, seamen and servants employed in or about the management thereof, and all the sea and other risks, port charges, duties, pilotage, insurances and every other expense whatever, relative to the the same, shall be wholly paid and borne by the Contractors.

7. The Contractors shall not receive, or take, or permit, or suffer to be received or taken on board any or either of such vessels, any letters for conveyance other than such as shall be contained in Her Majesty's Mails (save and except such letters as are by law exempt from the exclusive privilege of the Postmaster General,) nor any Mails for conveyance on behalf of any Colony or Foreign country without the consent of the Postmaster General, and in case of any such default respectively, the Contractors shall be liable to be proceeded against for a breach of this Agreement.

8. And in consideration of the due and faithful performance by the Contractors of all the services hereby contracted to be by them performed, the Postmaster General doth hereby covenant that there shall be paid to the Contractors, out of such aids or supplies as may be provided and appropriated by the Parliament of the Dominion of *Canada* for that purpose, for each voyage with the Mails under this Agreement, from *Queenstown* to *Halifax* or from *Halifax* to *Queenstown*, the sum of Three Hundred and Twelve Pounds Ten shillings sterling money of *Great Britain*; such payments to be made on the usual quarter days.

9. It shall be lawful for the Postmaster General by writing under his hand, or under the hand of the Deputy Postmaster General, or of the Secretary of the Post Office of *Canada* at any time, to determine and put an end to this agreement without any previous notice in case of the breach thereof in any respect by the Contractors, and the Contractors shall not be entitled to any compensation by reason of such determination, and such determination shall not deprive the Postmaster General of any right or remedy to which he would otherwise be entitled by reason of such breach, or any prior breach of this Agreement; nor shall it interfere with the completion of any voyage which may have been commenced at the time of such determination.

10. If at the expiration of the month of June, One Thousand Eight Hundred and Seventy-one, any vessel or vessels shall have been started with the Mails from *Queenstown* or *Halifax* under this agreement, such vessel or vessels shall deliver such Mails in conformity with this Agreement, which shall be considered to terminate on the arrival of such last mentioned vessel or vessels at *Halifax* or *Queenstown*.

11. And it is hereby agreed and declared that the Contract shall commence on the first day of July, One Thousand Eight Hundred and Sixty-eight, and shall continue in force until the Thirtieth day of June, One Thousand Eight Hundred and Seventy-one, and shall then determine, but not so as to prevent either of the said parties availing themselves of this Contract for recovering any sum or sums of money or damages, should there have been any breach of this Contract previously to such determination.

12. All notices or directions which the said Postmaster General, his officers, agents or others, are hereby authorized to give to the Contractors, their officers, servants or agents, may either be delivered to the Master or Commander of any of the said vessels, or other officer or agent of the Contractors in the charge or management of any vessel employed in the performance of this Agreement, or left for the Contractors, or sent by post, addressed to them, at their office or house of business, in *Liverpool* or any other place, and being so given or left shall be binding on the Contractors, but any notice of termination of this Contract shall be served on the Contractors, their officers, servants or agents, at their office or last known office in *Liverpool*.

13. The Contractors shall not assign or underlet or otherwise part or dispose of this Agreement, or any part thereof, without the consent of the said Postmaster General in writing for that purpose.

14. The Contractors hereby agree to employ in the performance of the service hereby contracted to be by them performed, vessels of a class equal to those employed in the performance of the Contract with the Imperial Government for a similar service during the first six months of the year 1868.

In Witness whereof, the said parties to these presents have hereunto set their hands and seals the day and year first before written.

Signed, sealed and delivered by the said *William Inman* and *Charles Inman* in the presence of

A. CAMPELL. (L. S.)

F. HARRIS, Water St., *Liverpool*.

Signed, sealed and delivered by the said

WILLIAM INMAN. (L. S.)

Thomas Langton Birley in the presence of

WILLIAM HULLEY, Commercial Clerk, *Kirkham*.

T. LANGTON BIRLEY. (L. S.)

CHAS. INMAN. (L. S.)

Signed, sealed and delivered by the said Honorable *Alexander Campbell*, Postmaster General for *Canada* in the presence of

W. H. GRIFFIN,

Deputy Postmaster General of *Canada*.

RETURN

To an Address of the HOUSE OF COMMONS, dated 29th April, 1869; For a Statement of the yearly amount of Imports and Exports of Canada, from the 1st day of January, 1853, to the 1st day of January, 1869, distinguishing the Imports from and the Exports to the United States from those from and to Great Britain and other countries, and shewing the value of goods which in each year has or would have been entered duty free under the operation of the Reciprocity Treaty.

By command.

HECTOR L. LANGEVIN,

Secretary of State.

DEPARTMENT OF THE SECRETARY OF STATE,
Ottawa, 14th May, 1869.

STATEMENT of the yearly amount of Imports into Canada (Ontario and
Imports from the United States from those from Great Britain and
have or would have been entered Duty Free

YEARS.	GREAT BRITAIN.		BRITISH COLONIES.		FRA
	Dutiable.	Free.	Dutiable.	Free.	Dutiable.
	\$	\$	\$	\$	\$
Year ending 31st December, 1853.....	18,225,532	263,584	285,700	350,440	.....
do do 1854.....	22,628,964	334,364	333,564	344,216	.....
do do 1855.....	12,586,304	717,168	631,376	248,740	.....
do do 1856.....	16,742,736	1,470,196	571,340	478,864	.....
do do 1857.....	15,812,808	1,746,216	432,688	346,020	.....
do do 1858.....	11,361,915	925,138	254,856	168,970	.....
do do 1859.....	13,593,617	1,192,467	116,461	265,827	.....
do do 1860.....	14,437,211	1,422,769	105,042	304,624	.....
do do 1861.....	15,632,927	2,312,643	193,151	306,397	.....
do do 1862.....	15,989,134	5,100,781	322,866	251,454	.....
do do 1863.....	16,724,690	3,452,274	341,085	301,823	.....
Half year ending 30th June, 1864.....	10,724,931	1,153,976	258,389	52,575	.....
Fiscal do do 1865.....	17,775,773	3,260,098	425,329	295,570	685,813
do do 1866.....	25,469,502	3,515,097	343,150	620,379	1,126,663
do do 1867.....	26,227,818	7,833,151	518,937	727,238	1,105,366
do do 1868.....	22,801,213	7,750,394	527,251	455,650	1,184,692
Six months to 1st January, 1869.....	11,776,326	2,945,227	393,210	163,843	598,443

A. Would have been entered Free of Duty under Reciprocity Treaty, had such Treaty been in

B. \$581,644 entered Free of Duty under Reciprocity Treaty, after 18th of October, date when

C. Entered Free of Duty under Reciprocity Treaty.

D. Entered Free of Duty under Reciprocity Treaty, previous to 17th March, date at which Treaty

CUSTOMS DEPARTMENT,

Ottawa, 11th May, 1869.

Quebec) from the 1st January, 1853, to 1st January, 1869, distinguishing the other countries, and shewing the value of goods which in each year under the operation of the Reciprocity Treaty.

N.C.E.		GERMANY.		UNITED STATES.		OTHER FOREIGN COUNTRIES.		REMARKS.
Free.	Dutiable.	Free.	Dutiable.	Free.	Dutiable.	Free.		Amounts which have been or would have been entered Duty Free from the United States under the Reciprocity Treaty.
\$	\$	\$	\$	\$	\$	\$	\$	\$
.....	.....	.....	10,656,580	1,125,564	1,037,704	36,320	1,649,070	A.
.....	.....	.....	13,449,340	2,083,756	1,303,708	51,400	3,056,506	B.
.....	.....	.....	11,449,472	9,379,204	1,033,492	40,416	7,725,572	}
.....	.....	.....	12,770,924	9,933,584	1,507,620	109,112	8,082,820	
.....	.....	.....	9,966,428	10,258,220	810,764	57,444	8,642,044	}
.....	.....	.....	8,473,607	7,161,958	614,535	117,548	5,564,615	
.....	.....	.....	9,036,371	8,556,545	664,631	129,242	7,106,116	}
.....	.....	.....	8,532,544	8,740,485	820,653	84,607	9,069,098	
.....	.....	.....	8,546,633	11,859,447	922,037	176,926	9,980,937	}
.....	.....	.....	6,128,783	16,514,077	1,535,587	138,257	14,430,626	
.....	.....	.....	3,974,396	14,483,287	1,898,099	136,552	12,339,367	}
.....	.....	.....	2,177,003	5,775,398	1,149,563	114,877	4,875,630	
65,854	357,337	29,380	3,991,226	10,829,351	2,077,672	58,588	9,131,641	}
88,427	330,776	63,034	4,362,167	10,880,667	1,643,018	167,597	8,751,931	
69,478	314,402	68,999	6,064,018	7,997,137	1,526,208	184,923	6,473,520	}
46,132	377,521	102,520	7,188,436	10,411,837	1,383,449	118,855	7,851,938	
19,744	265,680	65,517	3,140,752	6,642,800	1,162,711	19,741	5,644,119	A.

force.
Treaty came into force.
expired.

R. S. M. BOUCHETTE,
Commissioner of Customs.

STATEMENT of the yearly amount of Exports from Canada (Ontario and Quebec) from the 1st January, 1853, to the 1st January, 1869, distinguishing the Exports to the United States from those to Great Britain and other countries.

YEARS.	Great Britain.	British Colonies in North America and West Indies.	France.	Germany.	United States.	Other Countries.	COIN AND BULLION.	
							Great Britain.	United States.
Year ending 30th December, 1853.....	\$ 11,465,403	\$ 1,350,466	\$	\$	\$ 10,725,455	\$ 229,074	\$	\$
do do do 1854.....	10,876,715	1,538,264	.....	.....	10,418,883	136,329	.....	.....
do do do 1855.....	6,738,441	1,027,197	.....	.....	20,002,291	420,533	.....	.....
do do do 1856.....	10,467,744	1,096,844	.....	.....	20,218,654	263,775	.....	.....
do do do 1857.....	11,102,045	875,239	.....	.....	14,762,641	266,699	.....	.....
do do do 1858.....	8,898,611	960,428	.....	.....	13,373,138	240,432	.....	.....
do do do 1859.....	7,973,106	347,500	.....	.....	15,586,917	355,806	.....	.....
do do do 1860.....	12,749,891	723,534	.....	.....	20,698,348	370,889	89,178	50
do do do 1861.....	18,737,592	1,043,321	.....	.....	16,158,374	380,395	119,513	125,000
do do do 1862.....	15,045,420	840,646	.....	.....	16,980,810	550,252	178,997	.....
do do do 1863.....	17,401,856	992,738	.....	.....	20,910,533	841,002	61,862	1,623,541
do do do 1864.....	4,700,244	362,106	.....	.....	8,022,963	94,029	28,036	676,130
Fiscal year ended 30th June, 1865.....	14,637,153	1,106,370	142,356	7,415	24,213,582	686,079	88,350	1,599,341
do do do 1866.....	12,766,688	1,635,109	116,332	52,795	36,771,335	700,714	214,973	2,182,618
do do do 1867.....	14,456,854	3,603,012	266,987	29,344	26,595,340	624,572	511,650	2,404,384
do do do 1868.....	17,626,745	*868,120	95,393	44,943	23,336,462	663,992	889,032	3,975,189
Half year ended 1st January, 1869.....	10,968,467	*544,751	40,277	32,910	14,836,245	449,760	10,396	1,699,253

* Goods shipped to Nova Scotia and New Brunswick not included since 1st July, 1867.

R. S. M. BOUCHETTE.

CUSTOMS DEPARTMENT,
Ottawa, 5th May, 1869.

RETURN

To an Address of the HOUSE OF COMMONS, dated 23rd April, 1869; For
Copies of all Correspondence relative to the dismissal of Mr. Cameron,
late Postmaster of River Inhabitants, in the County of Inverness, Nova
Scotia.

By Command.

HECTOR L. LANGEVIN,
Secretary of State.

DEPARTMENT OF THE SECRETARY OF STATE,
Ottawa, 14th May, 1869

NOTES

1. 1st. 1st. 1st.

2. 2nd. 2nd. 2nd.

3. 3rd. 3rd. 3rd.

4. 4th. 4th. 4th.

5. 5th. 5th. 5th.

STATEMENT

Of Accounts of Trinity House of Quebec (including the Decayed Pilots Fund),
the former ending 30th June, 1868, and the latter ending 31st December,
1868.

Dr.

The Trinity House of Quebec in account current with Alexandre LeMoine, Treasurer.

Cr.

1868.		8 cts.	\$ cts.	1868.		\$ cts.	\$ cts.
June 30	To amount deposited in Bank of Montreal to the credit of the Hon. Receiver General .....	.....	215 32	June 30	By proceeds of sale of old provisions returned from the Provision Depots, surplus porpoise oil, and old oil barrels received from the following persons, viz:—	.....	.....
"	" paid amount of the following abstracts, viz:—	.....	.....		From W. T. Jeffery & Co., for porpoise oil.....	40 00	.....
	1. Contingencies.....	4,335 48			" M. Cotton, for old provisions	87 73	.....
	2. Harbour Office	1,945 94			" Rev. W. Wainwright, do	58 00	.....
	3. Buoys	2,437 51			" Paul Pouliot, do	25 99	.....
	4. Beacons.....	26 80			" Jno. Biampied, old oil barrels.....	3 60	215 32
	5. Oil Account	386 35		"	" Warrants from the Hon. Receiver General.....	22,060 00	.....
	6. Quarantine	9 00			" Cheques from the Marine and Fisheries Department.....	24,749 00	46,749 00
	7. Provision Depot	794 23					
	8. Light Ship	2,515 28					
	9. Stores.....	165 04					
	10. Portreuf Light-house.....	111 56					
	11. Ste. Croix do	61 89					
	12. St. Antoine do	129 56					
	13. Bellechasse do	87 42					
	14. Crane Island do	100 29					
	15. Pillars do	548 09					
	16. Kamouraska do	232 25					
	17. Pilgrims do	78 17					
	18. Brandy Pots do	81 19					
	19. Red Island do	393 09					
	20. Green Island do	386 51					
	21. Biquet do	305 64					
	22. Father Point do	2,207 22					
	23. Pointe des Monts do	1,236 86					
	24. Cape Rosiers do	555 59					
	25. W. Pt. Anticosti do	504 22					
	26. S. W. Pt. do do	508 98					
	27. E. E. do do	333 53					
	28. Forteau do	568 36					
	29. Belle Ile do	1,357 63					
	30. Peninsula Light.....	83 40					
	31. Harbour of Gaspé.....	228 22					
	32. Miscellaneous	2,219 20					
	33. Salaries Trinity House Officers..	9,498 33					
	34. Do Light-house Keepers.....	12,039 49					

35. Investigation into Pilot service	251 61		
36. Point St. Laurent Light-house	21 70		
Balance.....		46,745 63	
		3 37	
		\$46,964 32	\$46,964 32

Sworn to as being correct, on this 5th November, 1868.
(Signed,) DANIEL MCGIE, J. P.

Examined and found correct,
(Signed,) VITAL TETU,
Master.

E.E. Quebec, 30th June, 1868.

A. LEMOINE,
Treasurer.

Dr- The Quebec Decayed Pilot Fund, in account current with Alex. LeMoine, Treasurer of Trinity House, Quebec. *Cr.*

	\$	cts.	\$	cts.		\$	cts.
1868.					1868.		
For the following Pensions and Reliefs, paid during the year 1868—					By Balance in the hands of the Treasurer on the 31st December, 1867		
For arrears of pensions up to 31st December, 1867		93 00			“ Capital and interest, received from the following during the year 1868:—		4,992 07
“ Amount of pension list, for quarter ending on 31st January, 1868		2,211 45			From Quebec Harbour Commissioners, 1 year's interest on \$1,000, to 1st July, 1868	60 00	
“ Amount of pension list for quarter ending on 30th April, 1868		2,234 77			“ Turpike Road Trustees, 1 year's do on \$22,800 to 1st July, 1868	1,368 00	
“ Amount of pension list for quarter ending on 31st July, 1868		2,229 98			“ Pierre Beisseau, 1 do \$2,600, to 26th Jan., 1868	156 00	
“ Amount of pension list for quarter ending on 31st October, 1868		2,110 47			“ Minister and Trustees of St. Andrew's Church, 1 year's interest on \$2,000, to 18th Nov. 1867	120 00	
Relief during the year 1868		356 99		9,246 66	“ Quebec City Corporation, 1 year's interest on \$600, to 1st October, 1868	\$42 00	
					“ Quebec City Corporation, 1 year's interest on \$8,000, to 1st Nov., 1868,	588 00	
For the following sums paid—							
To F. Evanturel for publishing in the “Canadian” the Annual Statement of the Fund		17 60			“ F. J. Pouliot, 1 do., \$300, 12th Dec., 1868	18 00	
“ Middleton & Dawson, for do. in the “Quebec Gazette”		18 10			“ A. Marinen, 1 do., \$240, 28th March, 1868	14 40	
“ A. Coté & Cie., for do. in the “Journal de Québec,” and for printing blank life certificates		33 52			“ Provincial Government arrears of do., \$12,400 1st July, 1868	801 30	
“ Canadian Express Co., for freight of Government Debentures sent to Receiver General to be exchanged for Dominion Stock		7 80			“ Estate Sir James Stuart, amount of G. Pemberton's obligation of the 9th May, 1840	\$4,000 00	
“ L. M. Lavoie, towards the funeral expenses of Ed. Lavoie, pilot, deceased		20 00			“ Interest thereon, from 9th May, 1867, to 23rd October, 1868	349 80	
“ J. McNider & Co., brokers, discount on silver sold (\$1,300) interest on Road Debentures		42 25			“ J. B. Turgeon, on account of his obligation	100 00	
“ E. Dobell & Co., poundage overpaid by them on ship City of Manchester		2 47			“ Interest on \$500 to 1st June, 1868	30 00	
“ Estate C. Titu, paid R. Alleyne, advocate, on account of legal expenses		50 00			“ J. B. Dion, on account of his debt	30 00	
“ Treasurer's yearly allowance for a clerk to assist in the collection and distribution of the D. P. Fund		440 00		631 74	“ Arrears of Interest, to 20th Dec., 1868,	3 67	
					“ Dominion of Canada interest on \$12,400 to 30th Sept., 1868	185 47	
							7,824 64

LOANS AND INVESTMENTS.		FINES AND COSTS.	
Joseph Pefin Lachance, pilot.....	20 00	Amount received during the year 1868	73 00
Jean Dion, do	40 00		
Chs. Brown, Jr do	40 00		
Ant. Audet Lapointe, do	300 00	POUNDSAGE.	
Gilbert Baillargeon, do ..	50 00	Amount collected during the year 1868	6,479 51
Caisse d'Economie Notre Dame	2,300 00		
Banque Nationale	2,000 00		
Quebec Provident and Savings' Bank	800 00		
Balance.....	5,550 00		
	3,940 82		
	\$19369 22		\$19,369 22

Sworn as being correct and true,
this 23rd January, 1869.

DANIEL MCGIE,
(Signed,) J. P.,

E. E.

TRINITY HOUSE, QUEBEC,
31st December, 1868.

A. LEMOINE,

Treasurer.

Examined. Balance on hand, three thousand
nine hundred and forty dollars and eighty-two cents.
(Signed,) VITAL TETU,
Master.

RETURN

To an Address of the HOUSE OF COMMONS, of the 29th April last, calling for Copies of all Correspondence between the Department of Customs and Officers of Frontier Ports relative to the seizure of Foreign Vessels; also, Memorials or Letters addressed to the Customs Department, and all Orders in Council relative to such Seizures.

By command.

HECTOR L. LANGEVIN,
Secretary of State.

DEPARTMENT OF THE SECRETARY OF STATE,
Ottawa, 11th May, 1869.

OTTAWA, 11th May, 1869.

SIR,—In compliance with the enclosed Address from the House of Commons of the 29th ultimo, I have the honor to transmit to you Copies of all Correspondence between this Department and Officers of Customs of the Frontier Port, &c., in relation to the Seizure of foreign vessels, together with copies of the Memorials or letters addressed to the Department, and all Orders in Council in relation thereto, as filed of record in this office.

I have the honor to be,

Sir,

Your obedient Servant,

R. S. M. BOUCHETTE.

The Hon. H. L. LANGEVIN, C. B.,
Secretary of State of Canada,
Ottawa.

[Seizure of the Steamer "Young America."]

No. 22.

SEIZURE No. 1.

REPORT of Seizure made by Charles Fraser, Collector of Customs, at Wallaceburg, in the County of Kent.—Port of Wallaceburg, quarter ended thirtieth day of June, 1868.

Time of Seizure, and when delivered to the Collector.	Officers' Names, Employments and Stations.	Where and from whom seized, with the cause of forfeiture, and the Law under which the forfeiture is incurred.	Quantity, quality and Country of the Goods, Vessel, Carriage, &c.	Probable value of Goods, Vessel, Carriage, &c., &c., respectively.	Whether claimed or not, with the state of the proceedings if claimed, with other general observations, and amount of expenses incurred.
22 Third day of June, 1868, between 9 and 10 o'clock P.M. Delivered to Collector forthwith.	Charles Fraser, Collector of Customs, Wallaceburg.	From the Captain of the vessel, for violating the Coasting Regulations of 12th April 1861, by towing a vessel bound from one Canadian Port to another Canadian Port.	The steamer "Young America," of Algonac, American built.	\$4,000	The property is not claimed as yet. The captain evidently has not made up his mind what to do. The amount of expenses is not large as yet, being only the charges of two constables assisting to make seizure and keeping watch last night, say \$5.00.

Custom House, Wallaceburg,
4th June, 1868.

[Copy.] R. S. M. BOUCHETTE.

(Signed,) CHARLES FRASER, Collector.

QUESTIONS

To be answered by Officers making Seizures, and which are referred to in the 20th Article of the Collector's Instructions.

1.—Date of Seizure, and when delivered to the Collector. If any delay occurs explain the cause. *Answer*—Third day of June, A. D. 1868, seized by Collector in person.

2.—Name and Rank of every Officer or person employed in the Customs, concerned in making the Seizure. *Answer*—Charles Fraser, Collector of Customs.

3.—The quantity and quality of the Goods, of what County they are the Production, and how the fact is ascertained. *Answer*—The steamer *Youny America*, of Algonac, American built.

4.—Particular circumstances which led to the Seizure, and the cause of Forfeiture, and whether by information or not. *Answer*—Information that the steamer was coasting by towing a Canadian vessel bound from one Canadian Port to another Canadian Port.

5.—State the Act or Acts of Parliament, specifying the Sections thereof under which the Seizure is considered liable to Forfeiture. *Answer*—Section 2 of Coasting Regulations of 12th April, 1861.

6.—Whether attended with any attempt to rescue, and if any, state all the particulars. *Answer*—Nil.

7.—The probable value of the Vessel, Goods, &c., respectively. *Answer*—About four thousand dollars.

8.—If the Vessel, in which the Goods were imported, is seized, state her name and that of the Master, of what country, from what place, by whom owned, and her burthen according to British Admeasurement, and if British when and where registered. *Answer*—Steamer *Young America*, of Algonac, American built, from Algonac; H. C. Harrow Master, 57 tons admeasurement, owner not known.

9.—If the Goods were seized on board of any Vessel, state her name and that of the Master, of what country she is, and her burthen according to British Admeasurement, from whence, whether the Goods were reported by the Master, and if not, whether there is reason to believe they were purposely omitted. *Answer*—No goods seized—only the vessel.

10.—If the Goods were seized in Boats or other Vessels employed in the unshipping or landing the Goods, state out of what Vessel they were taken, with the names of the persons concerned in the transaction. *Answer*—Nil.

11.—If the Goods were seized on shore, state the names of the Persons from whom seized, and whether the Horses, Cattle, or Carriage employed in the removal of the Goods have been detained. *Answer*—Nil.

12.—If seized in any building or other premises, state by whom the same are occupied, and whether there is reason to believe the occupiers were privy to the Goods being lodged there, and the grounds thereof, or by whom they were lodged, or in whose possession they were at the time of Seizure. *Answer*—Nil.

13.—State whether the parties from their situation in life, will be enabled to pay the penalty, and whether they have ever before been guilty of a similar offence. *Answer*—The Captain is not a man of means.—The owners are probably able to pay the penalty. The vessel has been guilty of the same offence before.

14.—State if any claim has been made for the Goods, and if you desire the property seized, to be prosecuted to conviction. If so, furnish the names of witnesses, and other particulars, useful in the prosecution. *Answer*—No claim made yet. I wish the property seized prosecuted to conviction. Witnesses:—Thomas Bury, Captain of Tug *Hero*; James Kelly Captain of *Bark London*, and Daniel Johnson of Wallaceburg Merchant.

NOTE.—The amount of Law Expenses and all charges incurred up to the time of reporting the Seizure. *Answer*—Expenses of seizure to date, \$5.

(Signed,)

CHARLES FRASER.

Seizing Officer.

A copy of the "Entry" to be enclosed—when such has been made.

No. 6.

Report No. Consignee,
 INWARDS.—Port of Wallaceburg, 3rd June, 1868; In the [1] Bark *London*, of Kingston, British built, property all British, about 318 tons, with 10 men, besides J. Kelly, a British Master, for the present voyage from Kingston.

Marks and Numbers.	Packages and Contents.	Where laden.	Where and to whom consigned.
	No cargo.		

I do declare, that this Entry, now tendered and subscribed by me, is a just and true Report of the name of the above mentioned Ship, its Burthen, Build, Property, Number and Country of Mariners, the present Master and Voyage; and that it further contains a true account of the lading of the said Ship, with the particular Marks, Numbers, Quantity, Quality and Consignment of all the Goods and Merchandize in the said Ship, to the best of my knowledge and belief; and that bulk hath not been broken, nor any Goods delivered out of the said Ship since her loading in Kingston.

(2.)

Signed and declared the 3rd day of June, }
 in the presence of Charles Fraser, Collector. }

J. KELLY,
 Master.

(1) Insert here "Steam."

(2) When Goods have been landed at other Ports, insert here, "excepting the Goods landed, as particularized in the above Report."

[Copy.] R. S. M. BOUCHETTE.

CUSTOM HOUSE, WALLACEBURG, 4th June, 1868.

SIR,—In transmitting to you the enclosed Report of seizure, I beg to state the circumstances briefly thus :—The British barque *London* was yesterday proceeding on her voyage from Kingston to Wallaceburg, and having arrived at Baby's Point, or rather opposite that station, it became necessary to employ a tug to tow her from the River St. Clair to her destination on the River Sydenham, above Wallaceburg. The British tug *Hero* came alongside of the bark and offered to tow him to his destination, but the captain refused to employ him, on the grounds that he had engaged the *Young America*. The *Young America* then took hold of him and first towed him across the river to the American side, and then brought him to Wallaceburg.

The taking the barque across the river was evidently done to make it appear that the vessel was bound from an American to a Canadian port. But Captain Kelly's report, which I enclose, shows that he last cleared from the Port of Kingston; and it can be shown that he had no business at the place where the tug towed him to on the American side, his voyage being from Kingston to Wallaceburg, and the place from where the American tug first took hold of the barque to Wallaceburg is altogether within British territory.

An elder brother of the present Captain of this steamer, three years ago, was in command of this same steamer, and to ascertain the law on this point he wrote to the Customs' Department to know if he could tow vessels from the River St. Clair to Wallaceburg. The answer he received from you, which he showed me, was, that an American tug could.

tow a vessel from an American port to a British port, or from a British port to an American port, *but could not tow a vessel from one British port to another British port.*

Now, in the present case, as the vessel was bound from the port of Kingston to the port of Wallaceburg, he had no right to tow him, and as the owner of the steam tug *Hero* entered a complaint against the steamer *Young America* to me for violating the coasting regulations, I had no alternative but to seize her, which I have accordingly done.

I have offered to release the boat on condition of the Captain giving security to abide the decision of the matter in a legal way, but he has not yet done so.

I have the honor to be, Sir,

Your most obedient servant,

(Signed,)

CHARLES FRASER,
Collector.

R. S. M. BOUCHETTE, Esq.
Commissioner of Customs,
Ottawa.

[True Copy.]

R. S. M. BOUCHETTE.

CUSTOM HOUSE, WALLACEBURG, 5th June, 1868.

SIR,—Referring to my report of seizure of the steamer *Young America*, which I forwarded to you yesterday, I beg now to add that the Captain has decided to refer the matter to his Excellency the Governor in Council, and for that purpose he has given me a bond with two sureties to abide by the decision. He has also prepared a statement of the case which I believe will be forwarded to you by his Attorney immediately; which correspond substantially with the statement I sent you yesterday with my report, except that he claims that when he first took hold of the *Bark London* it was nearer the American than the Canadian shore, and therefore within the jurisdiction of the Port of Algonac. On further conversation with Captain Kelly of the *London*, I am induced to believe that this was the case, in fact I would rather have it so stated than otherwise, for this reason, viz: This seizure was not made for the purpose of injuring Captain Harrow, but to obtain a decision that shall be a guide to all parties concerned for the future.

If an American tug can tow any British vessel (bound from any British Port to Wallaceburg) from the St. Clair River to its destination by simply getting it to drop anchor a few feet nearer the American than the Canadian shore, it will be the easiest thing in the world to do so on all occasions, and thus the American tugs can monopolize the business of towing altogether, as the Americans do not allow our tugs the smallest privilege on their side of the water, and as conceding this privilege will in fact give all American tugs full liberty to tow in and out of this river at pleasure, our own tug owners will be entirely ruined.

As Captain Harrow has decided to leave the matter for the decision of the Government, I beg to say, that, in case it is decided that he was guilty of a breach of the Coasting Regulations, the parties most interested would be pleased if the Government should see fit to impose a nominal fine only, as they only want to establish and define the rights and privileges of American tugs towing in and out of the Sydenham river.

Your letter, dated 6th June, 1863, addressed to my predecessor, states, "That American tug boats have the privilege of taking a tow from any American Port to a Canadian Port, and from a Canadian Port to any United States Port. But no boat of that description can take a tow from one Canadian Port to another without a special permission from the Government." Now in the case before us I consider the mere finding a vessel, while on her voyage from one British Port to another, a few feet nearer the American than the Canadian shore in the St. Clair River (which is common to both countries for the purposes of Navigation) does not justify an American tug in towing her to her destination up the Sydenham River; if it does, then when a vessel loads here for Kingston or any other British Port, he can send for an American tug to tow him as far as is necessary to tow, and just letting go it will only be necessary to keep a little the nearest to the American shore in order to evade the law.

Any attempt like this to evade the laws of the United States by our vessels would be crushed at once and punished in the severest manner; and I hope when our Government take this case into consideration they will not lose sight of the interests of *our* tug owners. All of which is most respectfully submitted.

I have the honor to be, Sir,
Your most obedient servant
(Signed,) CHARLES FRASER.
Collector.

R. S. M. BOUCHETTE Esq.
Commissioner of Customs
Ottawa.

[Copy.]
R. S. M. BOUCHETTE.

[Copy.]
Honorable R. S. M. BOUCHETTE,
Commissioner of Customs
Ottawa.

WALLACEBURG, 4th June, 1868.

SIR,—In the matter of the seizure of the steamer "Young America" by Charles Fraser, Esq., Collector of Customs at the Port of Wallaceburg, for an alleged breach of the Coasting Regulations of the 12th day of April, 1861;

I beg herewith to enclose for your consideration, a statement of the facts of the case relative to said alleged breach, which statement has been submitted to Mr. Fraser, and he has duly certified to the correctness of the said statement of facts.

It is the wish of not only the owners of the steamer in question, but also of many other parties owning tugs of American build, who have been in the habit of towing in and out of said Port of Wallaceburg, that the matter should receive the fullest consideration, and whatever decision may be arrived at will be final, as there is no disposition on the part of steamboat owners to test the matter beyond your decision, or that of the Governor in Council. It appears to me that the steamer in question cannot be held to have violated the said regulations, as the 2nd section of the Order in Council regulating the coasting trade, under which section the seizure in question was made, merely provides that no vessel except Canadian, or owned by British subjects, shall carry merchandize or passengers from one Canadian Port to another Canadian Port. The vessel towed had neither freight nor passengers on board; and inasmuch as the steamer took the vessel in tow in American waters, and towed her to the Port of Wallaceburg without touching at any intermediate place, Mr. Fraser contends that, although the vessel at the time the steamer took hold of her, lay near to the American shore, yet she could not be considered to be in American waters, inasmuch as the waters of the River St. Clair are used in common by vessels, Canadian and American. Mr. Fraser further contends, that it was the duty of the master of the steamer to ascertain before taking hold of the vessel, from what port she may have cleared, which is not customary, and which I think you will hold not to be his duty, particularly under the circumstances of this case.

Hoping that this matter will receive your early attention.

I am, Sir,
Your obedient servant,
(Signed,) A. McDougall.

[Copy.]
R. S. M. BOUCHETTE.

In the matter of the seizure of the steamer "Young America," of Algonac, American built, seized at the Port of Wallaceburg, in the County of Kent, on the third day of June, A.D. 1868, by Charles Fraser, Esquire, Collector of Customs at the said Port of Wallaceburg, for an alleged violation of the Coasting Regulations of the 12th day of April, 1861, by towing a vessel bound from one Canadian Port to another Canadian Port;

Statement of facts.

1st. The Bark *London* cleared from the Port of Kingston for the Port of Wallaceburg, and in her voyage was towed from Lake Erie to the River St. Clair, by the tug boat *General Grant*, and was let go off by said tug in the River St. Clair, near the American shore, within the limits and jurisdiction of the Port of Algonac, in the State of Michigan, and was there taken hold of by the steamer *Young America*, and towed to a point on the American side of the River St. Clair, about half a mile distant, known as Harrow's Wharf, to which wharf the said Bark made fast and lay about half an hour, when the said steamer *Young America* again took hold of her and towed her from the said wharf (which is within the limits and jurisdiction of the Port of Algonac, in the State of Michigan) to the Port of Wallaceburg, in the County of Kent, and Province of Ontario, without stopping at any intermediate port or place whatever.

2nd. Until recently it was the custom for American built tugs to tow in and out of the Port of Wallaceburg, all vessels trading to said port without reference to what port might have cleared from.

I, Henry C. Harrow, master of said steamer *Young America*, beg to submit the foregoing statement of facts to you, Charles Fraser, Esquire, Collector of Customs at the said Port of Wallaceburg, in order that you may enquire into their incorrectness, and if found correct, that you will certify the same to the proper authorities for their consideration.

Dated at Wallaceburg,
this 4th day of June, 1868.

Your's, &c.,

(Signed,) H. C. HARROW.

I certify that having collected the best information I could obtain in the premises, am of opinion the above statement is correct.

(Signed,) CHARLES FRASER,
Collector.

Port of Wallaceburg.

I, Henry C. Harrow, do hereby solemnly swear that the foregoing statement is true in every particular. So help me God.

(Signed,) H. C. HARROW.

Sworn before me, at Wallaceburg, }
this 20th day of June, A. D., 1868, }

(Signed,) CHARLES FRASER, Collector.

(Copy.)

R. S. M. BOUCHETTE.

[Seizure of the Schooner "L. S. Shickluna."]

KINGSTON, ONTARIO, 23rd May, 1868.

SIR,—I have the honor to communicate to you, for the information of the Honorable the Minister of Customs, the following facts:—

That I was born in the County of Londonderry, Ireland: That I emigrated to the United States of America some thirtyyears ago: That some time ago I became a naturalized subject of the United States: That last December I purchased from Thomas R. Merritt, St. Catharines, the vessel "L. Shickluna," registered at Montreal under the Imperial Act: That the transfer to me was an informal one, endorsed by Mr. Merritt on the back of the Certificate of Registry and has never been registered; That I am the sole owner of said vessel; That on payment of certain sums of money, to wit, nearly one-half of the purchase money of said vessel, the Captain and the Cook on board of her will be entitled to a transfer of one-half interest in her: That said vessel has made the following voyages during present season, from Cleveland to Hamilton with coal, Hamilton to Port Stanley, light, and Port Stanley to Kingston with pease: That the Master or Captain of said vessel is an American subject, as I am informed and believe; That on arrival of said vessel at Kingston, she was seized by the Collector of Customs for infraction of the Navigation Laws.

Under the foregoing circumstances, I respectfully represent that if there has been any infraction of the laws of this Dominion, it has been committed through ignorance, and not wilful and intentional; that being born a British subject, I considered I was always a British subject and entitled to hold property in British vessels; that if I am not so entitled I submit that the transfer to me is null and void and that the title to said vessel is still in Mr. Merritt of St. Catharines.

That the other pretended violation of the law, viz: sailing a British vessel with an alien master, was also done in ignorance and unintentional, that it is never customary with ship-owners to enquire about the nationality of their crew: that in fact on the inland lakes both British and American vessels are manned by crews, composed of men of all nationalities.

I also submit that if there has been any infraction of said laws that the vessel is not liable to seizure, but only to a penalty.

In conclusion I have respectfully to request that you will lay the foregoing facts and statement before the Honorable the Minister of Customs, and that he may be pleased to order the immediate release of said vessel from seizure, and the remission of any penalty that may have been incurred under the circumstances.

I have the honor to be,

Sir,

Your obedient servant,

(Signed,)

ANDREW MILLER.

Sworn before me at the City of }
Kingston, 23rd day of May, 1868.

I do solemnly declare that the foregoing statement }
is true and correct.

(Signed,) THOS. BRIGGS,

(Signed,)

ANDREW MILLER.

J. P.

R. S. M. BOUCHETTE, Esq.,

Commissioner of Customs.

CUSTOM HOUSE,

KINGSTON, 23rd May, 1868.

SIR,—I have the honor to report for the information of the Honorable the Minister of Customs, the seizure of the schooner "L. S. Shickluna" at this Port for infraction of the Coasting and Navigation Laws under the following circumstances:—

The Schooner Shickluna was registered at the Port of Montreal under the old Imperial Act for the Registry of British vessels, on the 9th July, 1849, in the name of Thomas R. Merritt of St. Catharines, as appears by the certificate of Registry now in my possession, which bears on the back of it the following endorsement:—

"I hereby transfer all my right, title and interest in the schooner "L. S. Shickluna" to Andrew Miller, of the City of Oswego. (Signed,) Thos. R. Merrit, St. Catharines, 11th Dec. 1867. (Witness,) Geo. Groves.

On the 20th instant, said vessel was reported inwards at this port from Port Stanley with 12,423 bushels pease, Canadian produce, by R. P. Hall, Master, who signed himself a British subject, and made the declaration accordingly. Subsequently I received information that said vessel had changed hands, and had now become an American vessel, inasmuch as she was owned by Andrew Miller, a naturalized American Citizen, and R. P. Hall, a native born American Citizen; whereupon I at once sent for the master, who on being questioned admitted that he was not a British subject, and that the vessel was owned in part by himself but principally by Mr. Miller; he, however, stated that he was not aware when he made his declaration to his inward report that he was styling himself a British subject.

It being clearly proved to me that the "Shickluna" is no longer a British vessel, and consequently prohibited from carrying goods from one British Port to another British Port, I directed that she should be seized, and that an officer should be placed on board of her until the decision of the Honorable the Minister of Customs should be known in the matter.

I find that nothing can be more stringent than the course that is now pursued by the United States authorities in reference to any thing like the slightest infringement upon their Coasting Laws; and it was only the other day that information was lodged with me that Mr. Anthony Rogers, of Wolfe Island, who was sailing as mate on board the American schooner "Augustus Ford" had been ordered by the Customs authorities of Oswego, under a penalty of four hundred dollars, to leave said vessel, he being a British subject.

Under these circumstances, it is only right and proper that British subjects should be equally protected against the infringement of their rights by American citizens, which I am given to understand is not the case, so far as masters of vessels are concerned, for I am led to believe that a number of Americans being thrown out of employ at home, are now sailing British vessels upon Canadian waters, which renders it absolutely necessary that some example should be made of them.

I have the honor herewith to enclose a letter to you, in reference to this seizure, by Mr. Andrew Miller, principal owner of the vessel, whose statement seems to be a straightforward one; nevertheless, I do not think that the plea of acting in ignorance is one that can safely be admitted in extenuation, in a case like this.

I therefore beg leave most respectfully to urge you, should the vessel not be held, yet that a penalty should be exacted, and that an example should be made of the master, so as to deter others from infringing on the right of navigating British waters.

I have the honor to be,

Sir,

Your most obedient servant,

(Signed,)

W. B. SIMPSON,

Collector.

R. S. M. BOUCHETTE, Esq.,
Commissioner of Customs.

In the matter of the Schooner "L. S. Shickluna."

The undersigned has the honor to report, that assuming the seizure to have been rightly made, and after reading the affidavit of Mr. Andrew Miller, he concurs in the suggestion of the Commissioner of Customs, that the vessel be released upon payment of a penalty of fifty dollars, in this way, the delay which Mr. Miller states will be injurious to him, will be avoided, and the papers can be sent back to me by for further investigation and consideration.

(Signed,)

JOHN A. MACDONALD.

The statement of Mr. Miller, the owner of the vessel, sworn to as it is, appears to me intitled to much weight as relieving the vessel from forfeiture; I therefore submit that the

vessel should be released; but inasmuch as the master is an alien, which is contrary to law, if indeed the vessel be British, which perhaps may be questioned, I would release the vessel upon the condition of the payment of a penalty, say \$50.

Humbly submitted,

(Signed,)

R. S. M. BOUCHETTE.

May, 27, 1868.

[*Seizure of the Propeller "Akron."*]

CUSTOMS HOUSE,

PRESCOTT, Nov., 7, 1868.

SIR,—I have the honor to enclose you Mr. Surveyor Twomley's letter referring to the Northern Transportation Company's Boats, and the Bond of the Company to the Department, and request that I may be instructed with respect to it.

I have the honor to be,

Sir,

Your obedient servant,

(Signed,)

H. D. JESSUP,
Collector.

The Honorable,

S. L. TILLEY,

Minister of Customs, Ottawa.

CUSTOM HOUSE,

PRESCOTT, 7th Nov., 1868.

SIR,—I have information that the Northern Transportation Line of Steamers have violated the condition of the Bond they gave this office in June last; the condition of the Bond was, that "They were not to land or take on board, Passengers," Baggage or Freight, in consideration of their being allowed to take on wood at McCarthy's and Buckley's wharves.

My informant can prove, by himself and other parties, that the above Line have taken on Passengers and Baggage, at different times this past summer, with the knowledge of the Master, from the above wharves, and landed the same in Canadian and American Ports.

He can farther prove that the said Line of Steamers is constantly defrauding the Government in the Welland Canal, by not reporting the proper amount of Freight for Tolls, or the correct number of Passengers carried by them.

I have to request that you will be good enough to instruct me as to whether I will enforced the penalty of the Bond, by seizing the first Steamer of the line, that touches at the Port and holding her until the penalty is paid, or wait for instructions from the Honorable the Minister of Customs.

In case of the Company resisting the payment of the penalty my informant is willing to come forward and give evidence, besides bringing other witnesses; at present this information is *confidential*. I enclose a copy of the Bond given by the Steamboat Company.

I have the honor to be,

Sir,

Your obedient,

(Signed,)

G. TWOMLEY,
Surveyor.

H. D. JESSUP, Esq.,

Collector of Customs,

Prescott, Ontario.

COPY OF BOND.

Know all men by these presents, that the Northern Transportation Company of Ohio, are held and firmly bound to Her Majesty the Queen of the United Kingdom of Great Britain

and Ireland, her heirs and successors, in the penal sum of ten thousand dollars, to be well and truly paid in lawful money of Canada, if default be made in performance of the condition herein under written. The condition of this obligation is this, that if the Customs authorities at the Port of Prescott, in the Dominion of Canada, shall permit and allow the Steam Vessels in the employment of the said Northern Transportation Company of Ohio to touch at certain wharves upon the River St. Lawrence and in the vicinity of Prescott, and known as Blakey's wharf and McCarthy's wharf respectively, for the purpose of taking on board wood to be used on such Steam Vessels, then if no passengers, baggage or freight, nor any thing save and except wood as aforesaid are taken on board of or discharged from said Steam Vessels or either of them, by the Officers in charge thereof, or by their connivance, or with their knowledge or consent, on any of the occasions of their touching at any of the said wharves, then this obligation to be void, otherwise to remain in full force and virtue.

Dated on this first day of June, one thousand eight hundred and sixty-eight.

In witness whereof, the President of the said, The Northern Transportation Company of Ohio, hath hereunto set his hand and the seal of the said Company.

(Signed,) P. CHAMBERLIN, [L. S.]

President.

Signed and Sealed in presence of }

(Signed,) J. J. SHEPHERD. }

MEMORANDUM.—I think the Minister of Justice should take proceedings on this Bond, in such form and manner as he may deem most advisable.

(Signed,)

S. L. TILLEY.

November 11th, 1868.

(MEMO.)

The Northern Transportation Company of Ohio is reported to be wealthy and honorable, and enjoying so high a character, they were allowed as a matter of convenience to themselves to take supplies of wood for their Boats at two wharves near Prescott, having contracted for this supply in Canada. The Bond referred to was executed under the authority of the Department to guard against any abuse of the indulgence granted. Should the Company have allowed goods, baggage or passengers to be landed or shipped at either of the wharves mentioned, they have, of course, violated the conditions of the Bond, and the penalty might be sued for. They are also charged with violating the coasting laws, by carrying passengers from one Canadian Port to another, and also with making false reports of the cargoes their vessels carry to evade the payment of Canal Tolls and thus defraud the Canadian Revenue. For every one of these acts the Company are open to penalties and I can really see no grounds for making this charge against the Company of so confidential a character. In such cases it is usual for public officers, in the discharge of their ordinary duties, to act on their own official responsibility in fastening upon the delinquent person or thing, and then to report their proceedings to the Department. I can understand that in difficult or very delicate cases, officers may wish to be advised, but I can see nothing in the charges brought against the Company in question that calls for any unusual action on the part of the Department. It is the duty of the officers to tie up a ship if coasting in violation of law, or breaking the conditions of a Bond.

If the information given to Mr. Surveyor Twomley, be of the reliable character he describes, he should at the earliest opportunity, take action upon it and make his report thereon to the Department.

(Signed,)

R. S. M. BOUCHETTE:

November 10th, 1868.

DOMINION OF CANADA, CUSTOMS DEPARTMENT,

Ottawa, November 26th, 1868.

SIR,—From conversation had with the Minister of Justice yesterday, I think you had better seize the Steamer rather than go to Ohio to sue the Bond.

Let the seizure be made for both offences.

I have the honor to be,

Sir,

Yours truly,

(Signed,)

S. L. TILLEY.

The Surveyor of Customs, Prescott.

CUSTOMS AND CANAL OFFICE,

PORT COLBORNE, 28th November, 1869.

SIR,—I have the honor to transmit the Report of Mr. Surveyor Twomley of the seizure of the American Propeller *Akron*, for an alleged violation of the conditions of a certain bond; and for making false reports in the Welland Canal.

As it is very probable that the Northern Transportation Company will contest this matter, it may not be out of place to give you such information as I possess. Immediately after I detained the vessel, the master telegraphed to her owners,—and Captain Keating, the Company's Inspector was sent to investigate.

He reached here this morning, and at once offered to furnish a bond for the amount claimed, Canadian security—to allow the vessel to proceed on her voyage and return to this port, which offer, was refused by Mr. Twomley, who explained to me that it was contrary to his instructions. In consequence, the vessel remained tied up, and has her crew on board, awaiting a reply from the President of the Company to a recommendation of the Inspector that the sum of \$16,400 in gold be deposited with me as security for the forthcoming of the vessel.

Of the charge of breach of the conditions of bond at Prescott, I have nothing to say; but at the risk of exhausting your patience I ask to be allowed to make an explanation on the other charges, as they to some extent and indirectly, affect this office.

No passes are granted to vessels without the Captains produce the bills of lading, and the first thing done, is to enter each article named in the bills of lading in a blotter, kept for that purpose, and in which all calculations are made. If the report produced and signed by the Captain does not agree with the blotter, it is amended or rejected as the case may require; and I can furnish, at any time, the original entries with the calculations. Should the report be correct, it is copied into the Let-pass book, and a pass granted to the vessel. Sometimes, the vessels of the Northern Transportation Co., bring a sheet containing an account of the cargo, in lieu of the bills of lading. The late Collector (Mr. Pring) went to Cleveland, to satisfy himself of the correctness of these cargo sheets, and returned with the belief, that they were as likely to be correct as the bills of lading; both being made out by the company's officers.

We have, as in duty bound, kept a sharp look out after the cargoes of all vessels. This summer I detained and examined one or two cargoes; but having to do the duty of canal clerk, I had not the time at my disposal to look after these and other matters that I could, desire, or that, perhaps, the good of the service required. The charges against the Northern Transportation Company may or may not be correct; I am inclined to the latter belief. The risk is too great, the profit too small; and it is difficult to believe that a large and wealthy Company would place itself at the mercy of its servants for the paltry sum—or indeed any sum which might be saved in so disreputable a manner.

Should the Company deposit the sum required, I will at once place it in the Bank of Montreal, at St. Catharines, as a special deposit, and forthwith notify you of the fact.

Should they decide upon leaving the vessel as she is, I will endeavor to keep her as safely and securely as possible, and to that end shall consult the Company's Inspector.

I have the honor to be, Sir,

Your obedient servant,

(Signed,)

W. A. ROUTH.

Collector.

R. S. M. BOUCHETTE Esq.

Commissioners of Customs, &c. &c.

Ottawa,

REPORT of Seizure made by G. Twomley, at Port Colborne, 28th November, 1868. Quarter ended 31st December, 1868.

Time of Seizure, and when delivered to the Collector.	Officers' Names, Employments and Stations.	Where and from whom seized, with the cause of forfeiture and the law under which the forfeiture is incurred.	Quantity, quality and Country of the Goods, Vessel, Carriage, &c.	Probable value of Goods, Vessel, Carriage, &c., respectively.	Remarks.
28th November, 1868, Delivered to Collector at Port Colborne same day.	G. Twomley, Surveyor of Customs, Port of Prescott.	Seized at Port Colborne, from Northern Transportation Company, for alleged violation of Bond and false returns in canal, as regards Freight, Passengers, 16 trips.	The steamer "Akron" of Cleveland, Ohio.	\$20,000	I received a telegram at 3.30 P.M., on the 26th from Collector of Port Dalhousie (at whose port propeller "Akron" then was), to detain the propeller "Akron" until the arrival of Mr. Surveyor Twomley. The propeller reached here upward bound, about 4.30, A.M., of the 27th and was detained. At about 2 o'clock, A.M., of the 28th, Mr. Surveyor Twomley arrived and reported himself at this office, and made the seizure about 9 o'clock, A.M. This report, with letter accompanying it was handed to me by Mr. Twomley, at 4.30 P.M., of this day (28th). I have the vessel tied up in the Canal, nearly opposite this Office.

Custom House, Port Colborne.

(Signed,)

W. A. ROUTH,
Collector.

 QUESTIONS

To be answered by Officers making Seizures, and which are referred to in the 20th Article of the Collector's Instructions.

1.—Date of Seizure, and when delivered to the Collector. If any delay occurs, explain the cause. *Answer*—28th November, 1868, delivered to call same day.

2.—Name and rank of every Officer or person employed in the Customs concerned in making the seizure. *Answer*—G. Twomley, Surveyor of Customs.

3.—The quantity and quality of the goods, of what Country they are the production, and how the fact is ascertained. *Answer*—Steamer of the Northern Transportation Company, viz: "Akron," seized on account of giving false returns in the Welland Canal, as regards Passengers and Freight, and violation of condition of Bond given the Collector of Customs, Prescott.

4.—Particular circumstances which led to the seizure, and the cause of forfeiture, and whether by information or not.

5.—State the Act or Acts of Parliament, specifying the sections thereof under which the seizure is considered liable to forfeiture.

6.—Whether attended with any attempt to rescue, and if any, state all particulars.

7.—The probable value of the vessel, &c., respectively. *Answer*—\$20,000.

8.—If the vessel is seized, state her name, and that of the Master, of what Country, from what place, by whom owned, and her burthen according to British admeasurement, and if British, when and where registered. *Answer*—Propeller "Akron," Richard Davis, Master, Port of Hail, Cleveland, in the State of Ohio, U. S., owned by the Northern Transportation Company, Chamberlain, President, of Cleveland, burthen British measurement unknown, American measurement 467 tons.

9.—If the goods were seized on board any vessel, state her name, and that of the master, of what Country she is, and her burthen according to British admeasurement, from whence, whether the goods were reported by the Master, and if not, whether there is reason to believe they were purposely omitted.

10.—If the Goods were seized in boats or vessels employed in the unshipping or landing the goods, state out of what vessel they were taken, with the names of the persons concerned in the transaction.

11.—If the goods were seized on shore, state the names of the persons from whom seized, and whether the horses, cattle, or carriages employed in the removal of the goods have been detained.

12.—If seized in any building or other premises, state by whom the same are occupied, and whether there is reason to believe the occupiers were privy to the goods being lodged there, and the grounds thereof, or by whom they were lodged, or in whose possession they were at the time of seizure.

13.—State whether the parties, from their situation in life, will be enabled to pay the penalty, and whether they have ever before been guilty of a similar offence.

14.—State if any claim has been made for the goods, and if you desire the property seized to be prosecuted to conviction, if so, furnish the names of witnesses, and other particulars useful in the prosecution.

(Signed,)

"

W. A. ROUTH.
G. TWOMLEY,
Seizing Officer.

CUSTOMS AND CANAL OFFICE,
Port Colbourne, 2nd December, 1868.

Sir,—Instructed by your telegram of yesterday, I have taken a bond from the Northern Transportation Company, with two sufficient securities in Canada, a copy of which

I have now the honor to transmit herewith, and I have released the vessel from detention, and she is now prosecuting her voyage.

I have been served with a notice of claim, a copy of which I enclose.

I have the honor to be,

Sir,

Your obedient Servant,

WILLIAM A. ROUTH,
Collector.

R. S. M. BOUCHETTE, Esq.,
Commissioner of Customs, &c., &c., Ottawa.

To WILLIAM A. ROUTH, Esq., *Collector of Customs at the Port of Port Colborne, in the County of Welland.*

SIR,—You are hereby notified that we, the Northern Transportation Company, having our head office in Cleveland, in the State of Ohio, do claim to be the owners, and are the owners of the steamer or propeller called the *Akron*, with her tackle, apparel and furniture, now lying at Port Colborne, aforesaid, in your custody, and which said steamer or propeller, with her tackle, apparel and furniture was, on or about the twenty-eighth day of November last, seized as aforesaid, for an alleged infringement of the Revenue or Customs Laws of the Dominion of Canada, by one George Twomley, an Officer in Her Majesty's Customs. That we claim the said steamer or propeller, with her tackle, apparel and furniture, and that we intend to and do contest the validity of said seizure.

Dated at St. Catharines, in the County of Lincoln, 2nd day of December, A.D., 1868.
(Signed,) P. CHAMBERLIN, President, (L.S.)

(COPY.)

Know all men by these presents, that we, the Northern Transportation Company (having our head office in Cleveland in the State of Ohio), Lewis Shickluna, of the town of St. Catharines, in the County of Lincoln, Shipbuilder, and John Gordon, of Port Colborne, in the County of Welland, yeoman, are severally and respectively held and firmly bound unto William A. Routh, as Collector of Customs at the Port of Port Colborne, aforesaid, in the respective sums following, that is to say, the said the Northern Transportation Company in the sum of twenty thousand dollars, and each of them the said Lewis Shickluna and John Gordon in the sum of ten thousand dollars apiece, to be paid to the said William A. Routh as such Collector of Customs, or to his successor in office, to and for the use of Her Majesty the Queen, to which said several payments, well and truly to be made, each of them the said obliges do and doth hereby bind themselves and himself, their successors and his heirs, executors and administrators severally and respectively, but not jointly nor one for the other, firmly by these presents. Sealed with their respective seals and dated the 2nd day of December, in the year of Our Lord, 1868.

Whereas, the Steamer or Propeller called and known by the name of "*Akron*," with her tackle, apparel and furniture, the property of the said The Northern Transportation Company, was on or about the twenty-eighth day of November last seized by one George Twomley, an officer in Her Majesty's Customs, for an alleged infringement of the Customs or Revenue Laws of the Dominion of Canada, and the said vessel, steamer, or propeller, is now in the charge and custody of the said William A. Routh, as such collector, as aforesaid, and is lying at the Port of Port Colborne, as aforesaid;

And, whereas, the said William A. Routh hath been duly instructed to release said steamer on receiving this security.

Now, the condition of this Bond or Obligation is such, that if the said, The Northern Transportation Company, shall well and truly pay to the said William A. Routh, as such Collector, as aforesaid, or to his successor in office to, and for Her Majesty's use, the said sum of twenty thousand dollars in case the said steamer or propeller shall be condemned in a court of competent jurisdiction for an infringement of the Customs or Revenue Laws

of the Dominion of Canada, committed or done by the owners of said steamer or propeller or by their servants or agents, then and in such case this Bond or obligation shall be void, else shall be and remain in full force, virtue and effect.

Signed, sealed and delivered in presence of	(Sgd,)	P. CHAMBERLAIN, President, [L.S.]
CHARLES A. MITTLEBERGER.	"	LEWIS SHICKLUNA, [L.S.]
Witness to signature of	"	JOHN GORDON, [L.S.]
P. Chamberlain and	}	
Lewis Shickluna		
A. C. KEATING.		

OFFICE OF THE NORTHERN TRANSPORTATION COMPANY,
Cleveland, Ohio, Dec. 30th, 1868.

To the Honorable the Minister of Customs of the Dominion of Canada.

SIR,—I have the honor to acknowledge the receipt of a communication from your Department, under date of December 16th, 1868, containing very grave charges against the management of this Company, in its transactions with your Government, to wit: a general charge of frequent and systematic defrauding of the Dominion revenue by understating for tolls the quantity of freight and number of passengers taken through the canal. The following specific charges are also made:

That on the 11th of June last, the steamer *Akron* had on board 8,400 bushels of grain, and reported only 8,000.

That on the 28th of the same month, this vessel reported 200 barrels short.

That on the 5th of September, the steamer *Akron* had on board 1,925 barrels of flour and wheat, and reported only 1,650.

The same day, reported 13 passengers, when there were 18 on board; and also, that in the month of July, the steamer *Akron* took on board 2 passengers and their baggage at McCarthy's wharf.

Upon these accusations a valuable steamer has been seized, with the avowed purpose of confiscation, and delays, damages and expenses, amounting to more than \$3,000, with serious injury to our good name and reputation, have been caused and inflicted upon the stockholders and officers of this corporation.

It may not be considered impertinent here to remark, that this Company is a Corporation organized under the laws of the State of Ohio, with a capital of \$1,000,000, in shares of \$100 each; that its stockholders, numbering more than 200 citizens of Maine, New Hampshire, Massachusetts, Vermont, New York, Ohio, Michigan, Illinois and Wisconsin, include among their number, Governors and ex-Governors of States, Senators and Members of Congress, Judges of our Courts, distinguished Capitalists, Merchants, Manufacturers and Business Men, who would not tolerate practices of this kind, nor any other of a fraudulent or dishonest character; that we employ 20 or more steamers upon the routes covering the entire chain of lake and river navigation between Ogdensburg and Chicago, necessarily passing through the Welland Canal, to which we are tacitly invited by the public action of your government.

That we are in no manner competitors with the transportation interests of Canada, but rather coadjutors, bringing upon your thoroughfares an extensive volume of traffic which would otherwise never appear upon your waters.

That we are not citizens of Canada, nor subjects of her revered Britannic Majesty, but that we are friendly aliens, not intimately acquainted with the niceties of your laws and Customs' regulations, touching upon your shores and traversing your thoroughfares for the mutual advantages and benefits of commercial intercourse, and claiming only such protection and hospitality as are the natural and mutual attributes of neighboring friendly peoples.

At this stage of proceeding, we do not propose to stand upon our legal rights of demanding proof or redress before your Courts, nor to invoke the interventive protection of our own government. From the impression we have received of your own exalted worth and high-minded liberality, as well as the magnanimity of spirit pervading the Government of Canada, we cheerfully submit the case for the present to your fair and candid consideration, with perfect confidence of a favorable result.

To the first charge, which is of a general, indefinite and defamatory character, we can only reply in a general denial thereof, as being without the least foundation in fact.

To the other four charges, in addition to a general denial, we herewith respectfully submit the affidavit of A. W. French, Esq., of the firm of French, Childs & Co., of Cleveland, with copies of their Bills of Lading for each trip; the affidavit of W. T. Walker, Esq., of the firm of W. T. Walker & Co., of Toledo, and of N. S. Rodier, Esq., Commission Merchant, of Detroit, with copies of their Bills of Lading, all of which include the whole of the three cargoes referred to, and correspond with the permits of the Collector herewith enclosed; also, the affidavit of Captain R. A. Davis, the master of the steamer, covering the whole subject of freight and passengers upon the three trips referred to, and explaining the character and circumstances of the persons (not regular passengers) who came on board as the boat was leaving McCarthy's wharf, but not from the wharf. Also, the affidavit of George A. Eddy, Esq., the Agent of the Company at Ogdensburg, showing the receipts at that port to have corresponded with the Bills of Lading in every material particular, and further showing that we have paid tolls during the past season upon 2,537 bushels of grain more than we carried through the canal, or delivered at Ogdensburg.

Trusting that these will be taken to be a clear and full vindication of the management of this Company, we respectfully ask for the discharge of said steamer, and of the bond given for her release, with such other relief and redress as may seem to be just and equitable. All of which is respectfully submitted by order of the Board of Directors, through

Your obedient Servant,
P. CHAMBERLAIN, President.

GRAIN STATEMENT FOR 1868.

	BUSHELS SHORT.			BUSHELS OVER.		
	Corn.	Oats.	Wheat.	Corn.	Oats.	Wheat.
	Bus. lbs.	Bus. lbs.	Bus. lbs.	Bus. lbs.	Bus. lbs.	Bus. lbs.
Propeller Empire	47 23	.....	148 24	25 50	.....	.....
" Akron	41 36	.....	151 11	9 11	.....	1 00
" City of New York.....	167 53	.....	35 30	1 40	.....	.....
" Granite State.....	33 42	16 00	69 16	11 32	.....	30 29
" Lorrell.....	21 39	.....	151 45	2 13	.....	.....
" Maine	65 20	.....	92 18	15 48	.....	.....
" Young America.....	109 17	23 05	67 55	58 06	.....	.....
" Michigan.....	40 33	.....	71 13	8 51	.....	3 15
" Brooklyn	57 13	.....	83 40	24 22	.....	.....
" Prairie State	186 53	.....	36 27	1 30	.....	.....
" Oswegatchie.....	85 55	36 02	69 50	4 24	.....	.....
" Cleveland	59 37	.....	91 06	6 06	.....	1 44
" City of Boston.....	95 53	.....	63 20	.....	.....	.....
" Buckeye	139 33	.....	103 31	20 50	.....	.....
" Milwaukee	1 03	.....	66 42	5 26	.....	20 00
" City of Concord.....	43 08	.....	48 30	.....	.....	.....
" St. Albans.....	67 38	.....	39 28	.....	.....	.....
" Nashua.....	34 62	.....	.....	.....	.....	.....
" City of Toledo	19 49	.....	.....	.....	.....	.....
" Lawrence.....	.....	.....	.....	.....	.....	.....
Total	1,324 31	75 07	1,390 03	196 17	.....	56 28

Short..... 2,789
Over..... 252
Difference..... 2,537 Bushels.

(Signed,) GEO. A. EDDY,
Agent N. T. Co.

I, George A. Eddy, Agent of the Northern Transportation Company at Ogdensburg, N. Y., do depose and say, that I am thirty-nine years of age, and have acted as said agent, for ten years past. That in this capacity I have charge of the receiving, delivery and forwarding of all the freight brought by said Company's steamers from the west to Ogdensburg. That the cargoes of the steamer *Akron*, which passed through the Welland Canal on or about the 11th of June, the 1st of July and the 5th or 6th of September, turned out at Ogdensburg according to the bills of lading, except that the corn of the first named trip fell short $41\frac{3}{8}$ bushels.

That I have caused to be kept a careful and accurate account of all excesses and deficiencies of grain during the season of 1868, (a statement of which is hereunto attached) and that the deficiencies over and above the excesses amount to twenty-five hundred and thirty-seven bushels on which tolls were paid through the Welland Canal.

(Signed,)

GEO. A. EDDY.

Subscribed and sworn this

4th day of January, 1869,

before me

T. C. BARTER

Justice of the Peace.

OSWEGO, January, 4th, 1869.

We have known Capt. Richard A. Davis, Master of the steamer *Akron*, for several years past, as a respectable citizen of Oswego, a worthy and competent mariner, and an honest, upright man, whose testimony under oath or otherwise, may be implicitly relied on.

(Signed), O. J. HARMON,
Late Recorder of Oswego.
" CHINEY AMEZ,
Pres. Board Trade, Oswego.
" A. VAN DYCKS,
Collector of Customs.
" D. W. EMIN,
Post Master.
" MANNISTER WORTS,
County Clerk.
" D. HARMON,
Pres't. of Board of Education:

Personally appeared before me, a Notary Public in and for the States, of Ohio, at Cleveland, this 22nd day of December, 1868, Richard A. Davis, who being duly sworn, depose and saith:—I am thirty-nine years of age and by occupation a mariner. Have been Mate or Master of vessels and steamers for the past seventeen years.

During the entire season of navigation in 1868, I was Master of the Northern Transportation Company's steamer *Akron*, plying regularly between the port of Ogdensburg, on the River St. Lawrence and the western ports of Cleveland, Toledo, and Detroit. On or about the 9th and 10th of June last, I loaded said steamer at Toledo and Cleveland for Oswego and Ogdensburg, with about 8,500 bushels of corn, a quantity of bran or feed in bags, cotton, flour, pork, wool, &c, amounting to about 307 tons, upon which I paid tolls at Port Colborne upon the Welland Canal, on or about the 11th June; and 11 tons (being 400 bushels of the corn) on which tolls had been previously paid by another boat as I was informed by Mr. Walker, the shipper, making in all 318 tons as near as I can estimate the quantity.

On the 29th June last, I took on board said steamer at Toledo, 8,938 bushels of corn, and on the next day, at Cleveland, 303 barrels of flour, and sundry other articles of freight for Oswego, Cape Vincent, and Ogdensburg, amounting in all to 298 tons, all of which I duly reported and paid toll upon at the Welland Canal, on or about the first day of July following.

On or about the 3rd day of September last, I took on board said steamer at Detroit 4460 bushels of wheat in bulk, 100 barrels of wheat, 500 barrels of flour, and a small lot of wool and merchandize; and on the following day at Cleveland, I took on board 1025 barrels of flour and a small quantity of merchandize for Ogdensburg, all of which I paid toll upon at Port Colborne, on or about the 5th September.

There were 2000 packages of the flour, but 950 of them were half-barrels, making the quantity equivalent to 1525 barrels of flour and 100 barrels of wheat; the entire cargo amounting to about 320 tons.

The foregoing statement includes all the freight on board of said steamer upon each of the beforenamed trips. The boat was full each trip, the difference of tonnage being attributable to the difference in the bulk of the various kinds of freight.

On the first named trip I had one passenger only through the canal; on the second, 16 passengers; and on the third and last named trip, 5 passengers only through the canal. I cannot swear positively to the number of passengers or the quantity of freight, but only according to the best of my knowledge and belief.

It was a common practice for passengers to leave the boat on arrival at the canal and go by rail or carriages to Niagara Falls, St. Catharines, or elsewhere, and come on board again as the boat was ready to leave upon the Lakes.

It was the steward's duty to ascertain and report to me, on arrival at the canal, how many passengers were on board to go through the canal, which number I always reported to the collector.

I had no pecuniary interest in making an incorrect statement, as the clearance or let-pass of the collector was my only voucher for the disbursement, and my instructions were imperative, to be extremely careful and scrupulous always to account to the collector for all the persons and property on board.

Whilst passing through the canal, my duties require me to be continually upon the pilot-house to guide the boat and avoid doing or receiving injury, and I could have no opportunity for attending to passengers.

Canal officers, lock-tenders and their families were in the practice of coming on board at pleasure, and riding free from lock to lock and from place to place, so that there would be almost continually persons coming on board and going ashore at the different locks, of which I took no account, as I did not consider them to be passengers.

I did not prepare my statements of freight and passengers myself. I and other captains were required to employ a broker, acceptable to the collector, more familiar than we were with the different classes of property and rates of tolls, to prepare abstracts of the cargo, for the convenience of the collector, for which we paid the broker 50 cents, and trusted wholly to him and the collector for the correctness of the transactions.

The "Akron" could carry more than 320 tons on the Lake, if she had room for it, but, that with her fuel, was as much as she could carry upon the depth of water in the canal.

The only persons ever taken on board said steamer while at McCarthy's wharf were two members of the family of the Superintendent of the Marine Railway of the Company at Ogdensburg, who came over from Ogdensburg in a small boat, and got on board therefrom, upon the outside of the steamer, without landing at all. They were not regular passengers, paid no fares, and had no baggage except their satchels carried in their hands.

They left the boat upon the United States side of the river at Clayton or Alexandria Bay.

(Signed,)

RICHARD A. DAVIS.

Subscribed and sworn to before me, this 21st day of December,

1868, at Cleveland, Cuyahoga County, Ohio.

(Signed,)

L. D. HUDSON, Notary Public. [L.S.]

I, Edward Russel, being duly sworn, depose and say, am thirty-seven years of age, and a resident of the Township of Augusta, and live adjacent to M'Carthy's wharf, have a written order to act as Preventive Officer at the said wharf, situate one mile west of Prescott. It was my duty to attend the Northern Transportation Boats during their wooding at said wharf, Prescott, at the time that a Bond was given by the Company not to land

nor take Passengers during the wooding. Also remember the Steamer "Akron" wooding at the wharf, and am confident that no Passengers could have got off, or on the vessel without my knowledge. I am aware that a young man and his sister left the boat to catch the train for Kemptville, by my permission, under peculiar circumstances. They did not take any luggage with them. Their mother was dying, and if obliged to go to Ogdensburg on the Boat could not have gone on that day's train to Kemptville. The Captain would not take any responsibility on himself. The circumstances were of such a melancholy nature I could not withhold my consent. I swear positively that no other passengers left the Boat at that wharf, and also that no Passengers got on board for Cleveland or elsewhere from the wharf. One or two of the Company's men got on the Boat from a small Boat coming from the ship-yard, at one time but they never touched the wharf. I would say that on every occasion the Masters of vessels were stringent in their orders that no freight or passengers should leave the Boat.

(Signed,)

EDWARD RUSSEL.

Subscribed and Sworn to before me, this 23rd
day of January, 1869, at Prescott,
PATRICK M'CREA, J. P.

I, John M'Carthy, being duly sworn, depose and say, that I sell wood from a wharf about one mile west of Prescott. During the past season the Northern Transportation Company's Boats wooded at my wharf. One Edward Russel was always present when the Boats wooded. It was his duty to prevent the landing of passengers and freight. I am not aware that any passengers ever went on the Boat at the said wharf. I was generally on the wharf when the Boats landed and remained during the wooding, and will swear positively that I never saw any passengers taken on board, nor do I believe that any passengers were ever taken on board, since the execution of the Bond, at my wharf. In all instances I would say that the Officers were very strict in their orders that freight nor passengers should leave nor be taken on the Boat.

(Signed,)

JOHN M'CARTHY.

Sworn to before me, at Prescott, this 23rd
January, 1869.
(Signed,) PATRICK M'CREA, J. P.

I hereby certify that I am at present and have been for several years past, the Agent at the Port of Ogdensburg, New York, for the Northern Transportation Company of Ohio, and was during the year 1863. That the annexed Bill of Lading, numbered "2388" and sheets marked "A.B. & C." dated from Toledo, Ohio, May 6th, 1868, is a true copy of the Bill of Lading sent to me, of the cargo of the Propeller "Michigan," which Propeller arrived here on the 11th day of May, 1868, and delivered to me the entire cargo of freight, consisting of eight thousand four hundred and thirty-six $\frac{5}{8}$ (8436 $\frac{5}{8}$) bushels of corn and seven hundred barrels of flour, which was all the grain and flour she had.

(Signed,)

GEO. A. EDDY.

Sworn to before me, this 22nd day of
February, 1869.
(Signed,) T. C. BARTER, J. P.

State of Ohio, }
Lucas County. } S. S.

Before me, a Notary Public in and for Lucas County, State of Ohio, this 16th day of February, 1869, William T. Walker of the City of Toledo, County and State aforesaid, who being duly sworn, deposeth and saith—He is the agent of the Northern Transportation Company in said City of Toledo. That the annexed Bill of Lading, numbered

“2388,” and marked sheets “A. B. & C.” bearing date May, 6th 1868, to Propeller *Michigan*, is a correct and true copy of the original Bill of Lading of cargo shipped on board said Propeller *Michigan*, on the day and date aforesaid, and forwarded by mail to Ogdensburg, after the departure of said Propeller. That the Bill of Lading furnished said Propeller *Michigan* when she left this port, was not correct, as it showed the shipment of corn to be four hundred and three (403) bushels over and above the amount she had on board; and that he verily believes said Propeller *Michigan* paid tolls in the Welland Canal, as computed from said erroneous Bill of Lading, say on eight-thousand eight hundred and forty (8,840) bushels, whereas she had but eight thousand four hundred and thirty-six bushels and fifty-four pounds ($8436\frac{4}{8}$) bushels on board. That in consequence of said error in the computation and payment of tolls aforesaid, he the said Walker deducted from the cargo of Propeller *Akron*, on the 9th day of June following, four hundred (400) bushels of corn, so as to make the payment of Tolls equitable and just, and without any idea he was doing wrong, or any intention of wronging or defrauding the revenue of said Welland Canal; and further, that the instance above stated is the only one he has any knowledge of. And he makes this Affidavit conscientiously believing the same to be true in every particular. Sworn to and subscribed, before me, the day and year as above written.

(Signed,)

C. W. EVERETT.

Notary Public

Lucas County, Ohio. [L.S.]

LET-PASS, No. 177.—WELLAND CANAL.

Vessel Permit.—Office at Port Colborne, 8th May, 1868. Permit the Am. Steamer *Michigan*, of Cleveland, 431 tons, Northern Transportation Company Owner, S. B. Ripson, Master, to pass from Toledo to Ogdensburg.

Articles.	Quantity.	CARGO.		No. of sections for Way Toll.	Amount of Way Toll.	Rate Through Toll.	Amount through Toll.	Free.
		Where shipped.	Where to.					
CLASS 1.							\$ cts.	
Vessel measuring Tons.....	431	.....	.....	.....	.....	2½	16 78	
CLASS 2.								
Passengers of or over 21 years of age, Number.....	.....	.....	.....	.....	.....	.....	.....
Passengers under said age, Number .....	.....	.....	.....	.....	.....	.....	.....
CLASS 3.								
8,840 Corn	246	.....	.....	.....	.....	20	49 20	
CLASS 4.								
700 Bbls. Flour	78	.....	.....	.....	.....	25	19 50	
Total amount of Toll paid .....	.....	.....	.....	.....	.....	.....	\$79 48	

To all Canal Officers.

(Signed,)

J. S. SCHOLFIELD,
for Collector.

No. 2388.

NORTHERN TRANSPORTATION COMPANY,
Toledo, Ohio, May 6th, 1868.Walker & Company, Agents and Forwarders, for Screw Steamer "Michigan," for
Ogdensburgh, N.Y.

		<i>In forward hold.</i>	cts.	\$ cts.
Davis & Taylor, Lawrence, Mass., V. C. Line.	2886 ⁵⁴ 56	Bus. Yellow Corn. Lake per bus. Through Toledo to Lawrence.....	@ 28	
Wm. H } Amoskeag Nat. Bank, & Co. } Manchester, N. H. V. C. Line.	2250	Bus. No. 1 Corn. Lake per bus. Through Toledo to Manchester.....	@ 28	
N. & H. Joel A. Whiting, West Randolph, Vt. V. C. Line.	1125	Bus. No. 1 Corn.* Lake per bus. Through Toledo to West Randolph.....	@ 32	
Joseph T. Goss, Manchester, N. H. V. C. Line.	1125	Bus. No. 1 Corn.* Lake per bus. Through Toledo to Manchester.....	@ 29	
T. W. M. } W. H. Maynard & Co., R. W. } Worcester, Mass. V. C. Line.	186	Sacks Corn (350 bus). Advanced charges		36 00
		Lake freight Through Toledo to Worcester	@ 42½	
	100	Brls. Flour, "Challenge." Advanced charges.....		40 00
		Lake per brl. Through Toledo to Worcester.....	@ 90	
Potter, Maynard & Co., Keene, N. H. R. & B. Line.	60 20 20	Brls. Flour, "Queen of Prairie." " " "Imperial." " " "Moss Rose." Advanced charges..... Lake per brl. Through Toledo to Keene	@ \$1	40 00
H. W. } W. H. Maynard & Co., R. W. } Worcester, Mass. V. C. Line.	100	Brls. Flour, "Diamond." Advanced charges..... Lake. Through Toledo to Worcester.....	@ 90	50 00
Same.	170	Sacks Corn (350 Bus).		
	179	" " (350 Bus). Advanced charges..... Lake. Through Toledo to Worcester	@ 42½	72 00
40. E. Crosby & Co., Ludlow, Vt. R. & B. Line.	50	Brls. Flour, "Robinson & Co." Advanced charges..... Lake	@ 50	20 00
		Ogdensburgh to Ludlow	@ 65	
" E. Crosby & Co., Brattleboro', Vt. R. & B. Line.	26 24	Brls. Flour, "Robinson & Co." " " "Anglo Saxon." Advanced charges..... Lake, Through Toledo to Brattleboro'.....	1.15 @ \$1	20 00
44. Potter, Maynard & Co., Springfield, Mass. R. & B. Line.	100	Brls. Flour, "Reliance." Advanced charges		40 00
		Lake, Through Toledo to Springfield.....	@ 90	
50. Potter, Maynard & Co., Brattleboro', Vt. R. & B. Line.	50 20 30	Brls. Flour, "Pope's Extra." " " "Alabaster." " " "Reliance." Advanced charges..... Lake, Through Toledo to Brattleboro'.....	@ \$1	40 00
R. 50. Geo. Hurlburt & Son, Ogdensburgh, N.Y.	100	Brls. Flour, "J. B. Carson, O.K." Advanced charges..... Lake per brl.....	@ 50	40 00

(Signed)

W. T. WALKER & Co., Agents, N. T. C.

Personally appeared before me, a Notary Public in and for the County of Lucas, State of Ohio, at Toledo, this 24th day of December, 1868, William T. Walker, of the City of Toledo and State aforesaid, who being duly sworn, deposeth and saith:—

I am 43 years of age, and a commission merchant, and the managing partner of the house of W. T. Walker & Co., in the city of Toledo. Have resided in said city during the past eleven years and during which time, besides my business as commission merchant, have been commercial and freight agent for the Northern Transportation Company. My duties as agent being, to contract freight, give directions about unloading and loading propellers. Make, or cause to be made all bills of lading and the general supervision and management of the propellers of said Northern Transportation Company at the Port of Toledo, subject to the orders of the President of said Company residing at Cleveland.

Recollect loading propeller "Akron" on the 9th day of June last, with eight thousand, five hundred (8,500) bushels of corn; (3) three Railroad car loads of Mill Feed; one hundred (100) barrels of flour and seven sacks of wool. Also, that a propeller previously loaded, had had orders for corn which she took on board from the grain elevators at night, and that to prevent the necessity of remaining at my office until she was loaded, I had bills of lading made for her which embraced the full complement for which she had orders. Next morning found from the tally, that the quantity taken on board during the night was less than stated on the bill of lading by four hundred (400) bushels, either from want of freight-room or tonnage capacity cannot call to mind which at this time. That on account of said 400 bushels being on the bills of lading aforesaid, and on which tolls had been paid, I billed but eighty one hundred bushels per "Akron" and I did so believing it to be equitable and just, and I reported the circumstance to the master of propeller "Akron" at the time.

With reference to the matter of Welland Canal tolls, my orders have always been positive to suffer no item of property to pass without being on the bills of lading, to give exact weights of all property shipped, as near as can be ascertained, and to be scrupulously particular in so doing. In receiving property from Railroad Companies, as in the case of the mill feed shipped per "Akron," I have to take the weights so given to us by such Railroad Companies, and as the weights so given to us are the same on which they collect their transportation charges we presume they are correct.

Further I have no interest pecuniarily or otherwise in the withholding of tolls or other legitimate charges, on the contrary, my interests and reputation depend on my carrying out the orders of the Company implicitly and in doing the business honorably and efficiently.

Sworn to and subscribed before me, this } (Signed,) W. T. WALKER.
24th day of December, 1868. }

(Signed,) J. M. GLOYD,

Notary Public,
Lucas Co., Ohio. [L. S.]

BOARD OF TRADE,

TOLEDO, O., December 24, 1868.

To whom it may concern:

W. T. Walker, of the firm of W. T. Walker & Co., is, and has been for years, a member, in good standing, of this Board, and it gives me pleasure to say that in all his transactions, his standing and character is the best, or as good as the best, for integrity and fair honorable dealing.

(Signed,) CHARLES A. KING, [L.S.]
President.

Allow me personally to say that my acquaintance with W. T. Walker has commercially been intimate for last eleven years, and I consider him a high-minded honorable man and his word and bond both good and reliable.

(Signed,) CHARLES A. KING,
Firm of King Brothers.

No. 2489.

NORTHERN TRANSPORTATION COMPANY,
Toledo, Ohio, June 9, 1868.Shipped by Walker & Co., Agents and Forwarders, per Screw Steamer "Akron,"
for Ogdensburgh, New York.

			cts.	\$ cts.
Thayer, Sergeant & Co., Northampton, Mass. R. & B. Line.	6000	Bus. No. 1 Corn. Lake per bus. Through Toledo to Northampton.....	@ 25	
Barron, Dodge & Co., Ogdensburgh, N.Y.	*1000	Bus. No. 1 Corn, Lake per bus	@ 10½	
Barron, Dodge & Co., Concord, N. H. V. C. Line.	*1500	Bus. No. 1 Corn. Lake per bus. Through Toledo to Concord	@ 25	
		* 400 bus. this Corn, on bills last boat, but not on board. Tolls consequently paid on it. This shipment makes lot of B. D. & Co. all right and full.		
W. H. Maynard & Co., Worcester, Mass. V. C. Line.	2	Car loads (340 sacks) Middlings, 30,000 Advanced charges..... Lake per 100 lbs. Through Toledo to Worcester.....	@ 42½	100 00
W. H. Maynard & Co., Worcester, Mass. V. C. Line.	1	Car load (245 sacks Bran) 16,700. Advanced charges	@ 42½	50 00
		Lake per 100 lbs. Through Toledo to Worcester.....	@ 42½	
King, Norton & Ladd, Springfield, Mass. R. & B. Line.	100	Brls. Flour, "Pro. Best." Advanced charges..... Lake, Through Toledo to Springfield.	@ 85	50 00
Denny, Rice & Co., Boston, Mass. V. C. Line.	7	Sacks Wool, 1,235. Advanced charges. Lake per 100 lbs. Through Toledo to Boston.....	@ 95	2 96

Our Charges and Advances, \$253.59.

To acct. N. T. Company.

(Signed,)

W. T. WALKER & Co.,
Agents N. T. C.

No. 2544.

NORTHERN TRANSPORTATION COMPANY, Walker & Co., Agents and Forwarders,
per Steamer "Akron," for Ogdensburgh.

	Bus. lbs.		cts.
T. Cushing & Co., Fitchburg, Mass.	1125	<i>In after hold.</i> Bus. No. 1 Corn, Lake, Through Toledo to Fitchburg.	@ 22½
T. Cushing & Co., Groton Junction, Mass. V. C. Line and R. & B.	1125	<i>In after hold.</i> Bus. No. 1 Corn, Lake, Through Toledo to Groton Junction ...	@ 22½
S. H. Wood, Lowell, Mass.	1510 33	<i>In forward hold.</i> Bus. Yellow Corn, Lake, Through Toledo to Lowell	@ 21½

No. 2544.—*Continued.*

Davis & Taylor, Lawrence, Mass. V. C. Line.	3177 25	<i>In forward hold.</i>	
		Bus. Yellow Corn, Lake, Through Toledo to Lawrence ..	cts. @ 20
Thayer, Sergeant & Co., Northampton, Mass. R. & B. Line.	2000	<i>In after hold.</i>	
		Bus. No. 1 Corn, Lake, Through Toledo to Northampton	@ 21

Our Charges and Advances, \$44.69.

To acct. N. T. Co.

(Signed,)

W. T. WALKER & Co.,
Agents, N. T. Co.

Personally appeared before me, a Notary Public in and for the City of Cleveland, County of Cuyahoga, and State of Ohio, Alfred H. French, of said city, who deposeth and says: That he is thirty-eight years of age, and has been engaged in the forwarding and commission business for the past fifteen years, and for the last four years as a member of the firm of French, Childs & Co., Commission and Forwarding Merchants, and Agents for the Northern Transportation Company, and has had the general supervision of the receiving and shipping of freight to and from this port by said Company's Steamers. That on or above the 10th day of June last, their firm loaded on to and shipped by the steamer *Akron*, three hundred barrels of flour and twenty-six packages of sundries for Ogdensburg, and ten bales of cotton for Oswego.

That on the 30th day of June last, they shipped by the said steamer, three hundred and three barrels of flour, and sundry other packages of freight for the Ports of Ogdensburg, Cape Vincent, and Oswego. And that on the 4th day of September last, they shipped by said steamer thirteen hundred and twenty-five packages of flour, equivalent to ten hundred and twenty-five barrels for the Port of Ogdensburg, the copies of the Bills of Lading of all of which are hereunto attached, and they contain a just and true account of all freight of every description laden on board the said steamer at this port at the dates above named.

Furthermore, that he has no pecuniary or other interest in making an incorrect statement of cargo for the payment of tolls in the Welland Canal, but that his instructions have always been to make them carefully correct and accurate.

(Signed,) A. W. FRENCH.

Subscribed and sworn to before me, this 26th day of December, A. D. 1868.

(Signed,) L. D. Hudson,

Notary Public in and for Cuyahoga County, Ohio. [L. S.]

BOARD OF TRADE ROOMS,
CLEVELAND, OHIO, December 28th, 1868.

To whom it may concern.

A. W. French, Esq., of the firm of French, Childs & Co., Produce Commission Merchants and Forwarders of this city, is now and had been for many years a member of good standing in this Board.

For general good character, as to honesty and integrity, he has been highly esteemed by the associate members of our Board, and it is with great pleasure I endorse him thus officially.

(Signed,)

GEO. W. GARDNER,
President

I cordially concur in the above.

J. C. Sage, Secretary.

Having personally and favorably known Mr. French for over fifteen years, during all which time he had so conducted himself as to gain the confidence and esteem of the business community of our city, I deem it proper to express my entire belief in his reliability and integrity.

(Signed,)

GEO. W. GARDNER,
Firm of Gardner, Burt & Oviatt.

NORTHERN TRANSPORTATION COMPANY,
Cleveland, O., 10th June, 1868.

Bills of Lading, by French, Childs & Co., Agents and Forwarders, of Steamer
Akron, for Oswego.

		cts.	\$ cts.	\$ cts.
Home Manuf. Co., Oswego, N. Y. Care, Chas. Allison, Agt.	10 Bales Cotton..... 4281	50	21 41	42 82
	Advanced		21 41	42 82

(Signed,)

FRENCH, CHILDS & Co.

CLEVELAND, O., June 10th, 1868.
For Ogdensburgh.

			\$ cts.
D. D. Fuson & Co. Fitchburg, Mass.	50 Brls. Flour, Frazer, A. 50 " " McNeil.		
	100 Charges..... 80 cts. through.		26 25
S. B. & D. McEwen & Co., Burlington, Vt.	80 Brls. Flour, McNeil. 20 " " Grant, U. S.		
	100 Charges..... 80 cts. to Rutland.		26 25
M. S. Adams & Co., Brighton, Vt.	20 Brls. Flour, St. Louis. 20 " " Florence. 30 " " Neal Grant. 30 " " Howard.		
	100 \$1.20 through.		
Milwaukee, Ogdensburgh, N. Y.	1 Stem Iron. 16 Oars. 5 Rs. Heater. 1 Box G. Ware. 3 Bales Sails, &c.		
All, care, Geo. A. Eddy, Agt., Ogdensburgh.			

(Signed,)

FRENCH, CHILDS & Co.

June 30th, 1868. For Ogdensburgh.

		cts.	\$ cts.	\$ cts.
Edward Wright, Montreal, C.	3 G. Ware 1440	60	8 64	
	Advanced		4 10	12 74
H. Meadows & Co., Ottawa City, Ont.	2 Casks G. Ware 800	60	4 80	
	Advanced		2 50	7 30
Isadore Traversy, Ottawa City, Ont.	2 Casks G. Ware 960	60	5 76	
	Advanced		2 90	8 66
Edward Hagar & Co., Montreal, C.	2 Casks G. Ware 890	60	5 34	
	Advanced		2 73	8 07
R. Villas, Ogdensburgh, N.Y.	1 Sack Coffee, 127.			
	3 Brls. Sugar, 756 883	30	2 65	
	2 " Flour		0 80	3 45
Mrs. Halpin, Ogdensburgh, N.Y.	1 Stove, 1 Bdl. Pipe.			
	2 Bdl. B. Slides.			
	2 Seats.			
	4 Chairs.			
	2 Bed ends.			
	1 Box H. H. Goods.			
	1 Sink 1185	60	7 51	
	Dray		1 00	8 51
N. T. Co., Ogdensburgh.	5 Brls. Oil.			

(Signed,)

FRENCH, CHILDS & Co.

June 30th, 1868. For Oswego.

		cts.	\$ cts.	\$ cts.
"E 4."	26 Grindstones 2100	20	4 20	
A. Knapp & Sons, Moore's, N. Y.	Advanced		2 04	6 24
S. B. Bisbee, Newbury, Vt.	1 Brl Flour.			
M. S. Adams & Co., South Royalton, Vt.	20 Brls. Flour, "Champion."			
	20 " " "Gen'l Grant."			
	40 " " "Florence."			
	40 Hf-brls Flour, "			
	100 Through, \$1.10.			
Beale & Bowker, Winchendon, Mass.	75 Brls. Flour, "Howard."			
	25 " " "Florence."			
	Through 90 cts.			
Edson Hill, Manchester, N. H.	70 Brls. Flour, "City Mills, A."			
Care, Geo. A. Eddy, Agt., Ogdensburgh.	30 " " "Hamilton, A."			
	Through 90 cts.			

(Signed,)

FRENCH, CHILDS & Co.

June 30th, 1868. For Cape Vincent.

		cts.	\$ cts.	\$ cts.
D. W. Bickerson, Watertown, N. Y.	5 Brls. Pork	80		4 00
D. B. Lockwood, Adams, N.Y.	1 Brl. Whiskey.....			1 00
Robt. TenEyek, Watertown, N.Y.	10 Bcls. Shafts. 1 " Poles. 1 " Circles. 1 " Posts	830	40	3 32
	Advanced		2 58	5 90
H. E. F. Cooper, Watertown, N.Y.	13 Bcls. Scale Boards.....	910	40	3 64
	Advanced.....		1 68	5 32
Goodnow, Holden & Co., Watertown, N.Y.	5 Brls. G. Ware 2 Boxes "	520	60	3 12
	32 Brls. "	2680	\$1 00	26 80
	Advanced		10 00	39 92
John Sharles, Kingston, C. W.	2 Casks G. Ware.....	810	60	4 86
	Advanced		2 53	7 39
R. White, Kingston, Ont.	2 Casks G. Ware	890	60	5 34
	Advanced		2 73	8 07
A. Livingston, Kingston, Ont.	1 Cask G. Ware	490	60	2 94
	Advanced		1 72	4 66
Care, W. B. Buckley, Agt., Cape Vincent.				

(Signed,)

FRENCH, CHILDS & Co.

June 30th, 1868. For Oswego.

		cts.	\$ cts.	\$ cts.
Home Manuf. Co., Oswego, N. Y.	10 Bales Cotton	4812		24 06
	Advanced		24 06	48 12
Dane & Co., Utica, N. Y.	6 Bcls. Wheels	360	50	1 80
	Advanced.....		1 33	3 13
Hayden & Litchworth, Auburn, N. Y.	4 Bcls. Seats	350		
	4 " Shafts 4 " Poles, 2 " Circles, 1 " Eveners, 1 Box Posts.....	675		
	3 " Backs.....	380 1405	40	5 62
	Advanced		4 88	10 50
James Connelly, Troy, N. Y.	6 Bcls. Poles, 4 " Circles, 16 " Shafts.....	1500	40	6 00
	Advanced		4 75	10 75
McNauz & Co., Oswego.	1 Buggy. 1 Harness			8 00
Stephen Washburn, Sackett's Harbor, N.Y.	150 R. Pump, 1 Box. 1 Bdl. Rods	2600	50	7 80
	Advanced		5 40	13 20
Pease & Barrow, Oswego, N. Y.	18 Cars		10	1 80

(Signed,)

FRENCH, CHILDS & Co.

September 4th, 1868. For Ogdensburgh.

			\$ cts.	\$ cts.
Coe & Hickox, Manchester, N. H.	50 Brls. Flour, "City Mills, A."			
	25 " " "Howard, XX."			
	50 Hf. " "Florence."			
	100 Through, \$1.05 per brl.			
C. G. Pickering, Portsmouth, N.H.	200 Hf-Brls. Flour, "Lafayette."			
	Through, \$1.05 per brl.			
C. Robinson & Son, Portsmouth, N. H.	100 Brls. Flour, "Gilt-Edge."			
	400 Hf " "Cascade."			
	300 Through, \$1.05 per brl.			
Baker, Brown & Co., Newport, Vt.	50 Brls. Flour, "Horton Mills."			
	50 " " "Haul City."			
	100			
183. J. Rowley, Manchester, N. H.	100 Brls. Flour, "Frazer, A."			
	Charges			26 00
	Through, \$1.05 per brl.			
183. G. Quinby & Co., Concord, N. H.	25 Brls. Flour, "McNiel, X."			
	50 " " "Davis, I."			
	100 Hf " "			
	125 Charges			32 50
	Through, \$1.05 per brl.			
183. T. Wait & Co., Greenfield, Mass. Via R. & B. R. R.	100 Brls. Flour, "Pelton, O K."			
	Charges			26 00
	Through, \$1.05 per brl.			
183. Lewis Barter & Co., Littleton, N. H.	60 Brls. Flour, "Pelton, O. K."			
	40 " " "Arctic, A."			
	Charges			20 00
Andrew Crozier, Ogdensburgh, N. Y.	1 Chest	200		
N. T. Co., Ogdensburgh, N. Y.	2 Copper Pumps.			
	1 Force Pump.			
	1 Strainer.			
	2 Valves.			
All care Geo. A. Eddy, Agt., Ogdensburgh.				

(Signed)

FRENCH, CHILDS & Co.

BOARD OF TRADE ROOMS,
DETROIT, MICHIGAN, December 29th, 1868.

We, the undersigned, officers of the Board of Trade of the City of Detroit, hereby certify that Mr. Noel J. Rodier is a member in good standing of said Board. We further beg to add that we take peculiar pleasure in bearing testimony to the honor and probity of Mr. Rodier, which have never been impeached, and which we regard as *unimpeachable*; and we have no hesitation in saying that this estimate of his character coincides with the unanimous sentiment not only of this Board, but of those who, from business transactions with him, have had an opportunity of forming an opinion.

(Signed)

H. J. BUCKLEY,
President, (L. S.)

Ray Haddock,
Secretary.

I, Noel J. Rodier, being duly sworn, depose and say:—Am twenty-seven (27) years of age and a resident of the City of Detroit. Am by occupation a forwarding and commission merchant. Have been connected with the Northern Transportation Company ten (10) years, the last three of which as agent, in which capacity it was my duty to procure freights for Northern Transportation Company Steamers, attend to the shipping thereof and make Bills of Lading.

That on the third day of September last, the steamer *Akron* loaded in part at Detroit, with wheat, flour and wool, under my supervision and direction, and all the freight taken by her, was shipped by me; and that the annexed Bill of Lading is a correct copy, from my books, of all the property taken on board at Detroit for transportation through the Welland Canal.

I further state that I have no pecuniary interest in the making of incorrect statements for the payment of tolls, but on the contrary my instructions from the President of the Northern Transportation Company were to be extremely careful to have them correct.

(Signed,)

NOEL J. RODIER.

Subscribed and sworn to before me, this 26th day of }
December, A. D. 1868.

Levi T. Griffin,
Notary Public,
Wayne Co., Michigan.

STATE OF MICHIGAN, } S.S.
COUNTY OF WAYNE.

I, James D. Weir, clerk of said County, and clerk of the Circuit Court for the County of Wayne, which is Court of Record having a seal,

Do hereby certify, that Levi T. Griffin, whose name is subscribed to the jurat of the annexed instrument, and therein written, was, at the time of taking such jurat, a Notary Public in and for said County, duly commissioned and qualified, and duly authorized to take the same. And further, that I am well acquainted with the handwriting of such Notary Public, and verily believe that the signature to the said jurat is genuine.

In testimony whereof, I have hereunto set my hand, and }
affixed the seal of the said Court and County, at Detroit, }
this 26th day of December, A. D. 1868.

(Signed,)

JAMES D. WEIR, (L.S.)
Clerk.

No. 321.

NORTHERN TRANSPORTATION COMPANY,
Detroit, Michigan, Sept. 3rd, 1868.

BILLS OF LADING, by N. J. RODIER, Agent and Forwarder, of Steamer *Akron*, for
Ogdensburgh, N.Y.

Care, Geo. A. Eddy, Agt., Ogdensburgh. No. 1.

		Lbs.	cts.	\$ cts.
Nichols, Parker & Co., Boston, Mass.	6 Sacks Wool.....	1260		
	R. R. Charges			3 91
	Insurance			1 46
	Lake. To Boston, \$1.00 per 100.			
Acet. Sugar River Mill Co., Claremont, N. H. Care, J. S. Bean, Ogdensburgh, N. Y.	1266 50 Bus. White Wheat.			
	Lake		14	
P. Woods & Co., Winoski, Vt. Care, James Wade, Ogdensburgh, N. Y.	3193 35 Bus. No. 1 White Wheat.		14	
	Lake	4459		

No. 321.—Continued.

		Lbs.	cts.	\$ cts.
Acct. Bunville & Co. P. C. & H. C. Tyler, Athol, Mass.	20 Brls. Flour, "Mich. Extra,"			
	80 " " "Rising Sun."			
	R R. Charges			46 00
	Lake. To Greenfield, \$1.20.			
Acct. Peter Voorhees. McQuestern & Co., Nashua, N. H.	50 Brls. Flour, "Compeer."			
	50 " " "Safford's Extra."			
	Insurance			6 25
	Lake. To Nashua, \$1.10.			
Acct. C. H. Safford. Clap & Bros., Boston, Mass.	100 Brls. Flour, "Mountain."			
	Lake. To Boston, \$1.00.			
Acct. C. H. Safford. Clap & Bros., Manchester, N. H.	200 Hf-Brls. Flour, "Safford's Extra."			
	Lake. To Manchester, \$1.10.			
Acct. Sugar River Mill Co., Claremont, N. H. Care, J. S. Bean, Ogdensburgh, N. Y.	100 Brls. Wheat, "T."			
	Lake		55	
J. Fletcher, St. Johnsbury, Vt.	100 Brls. Flour, "Dexter."			
	Lake. To St. Johnsbury, \$1.48.			
J. R. Faulkner & Co., North Bellevue, Mass.	22 Sacks Wool.			
	12 " "	7072		
	R R. Charges			21 41
	Insurance.....			7 07
	Lake.....		45	
	Collect.....			\$25 90

Charges 85 90

Commission..... 40 40

Total charges \$126 30

(Signed,)

N. J. RODIER, Agt.

LET-PASS, No. 513.—WELLAND CANAL.

Vessel Permit.—Office, Port Colborne, 11th June, 1868. Permit the Am. Steamer Akron, of Cleveland, 467 tons burthen, Northern Transportation Company Owner, R. Davis, Master, to pass from Toledo to Ogdensburgh.

ARTICLES.	Quantity.	CARGO.		No. of Sections for Way-toll.	Amount of Way-toll.	Rate through toll.	Amount through Toll.	Free.
		Where Shipped.	Where to.					
CLASS 1.							\$ cts	
Vessels measuring, tons.....	467					2½	11 68	
CLASS 2.								
Passengers of or over 21 years of age, Number	1					10	0 10	
Passengers under said age, No								

LET-PASS, No. 513.—*Continued.*

ARTICLES.	Quantity.	CARGO.		No. of Sections for Way-toll.	Amount of Way-toll.	Rate through-toll.	Amount through toll.	Free.
		Where shipped.	Where to.					
CLASS 3.							\$ cts.	
Corn, 8,100	225					20	45 00	
CLASS 4.								
Bran, 47,000	237					25	5 88	
Cotton, 4,281	27						0 63	
Furniture, 401	45						11 25	
Castings, 1,500	1						0 25	
Pork, 50	7½						1 88	
CLASS 5.								
Wool, 1,145	1					30	0 30	
CLASS 6.								
Merchandise, 428	½					60	0 30	
Total amount of Toll paid..							77 27	

To all Canal Officers.

(Signed) W. A. ROUTH, *Collector.*

LET-PASS, No. 690.—WELLAND CANAL.

Vessel Permit.—Office at Port Colborne, 1st July, 1868. Permit the American Steamer Akron, of Cleveland, 467 tons burthen, N. Transportation Co. Owners, R. Davis, Master, to pass from Toledo to Ogdensburgh.

ARTICLES.	Quantity.	CARGO.		No. of Sections for Way-Toll.	Amount of Way Toll.	Rate Thro' Toll.	Amount through Toll.	Free.
		Where shipped.	Where to.					
CLASS 1.							\$ cts.	
Vessels measuring	467					2½	11 68	
CLASS 2.								
Passengers of or over 21 yrs. of age, Number	16					10	1 60	
Passengers under said age, Number								
CLASS 3.								
8,938 Corn	248½					20	49 70	
CLASS 4.								
4,812 R. Cotton	2½					25	0 63	
303 Brls. Flour	34						8 50	
5 " Oil	1½						0 38	
5 " Pork	1						0 25	
400 Lbs. G. Stones	½						0 13	
CLASS 5.								
127 Lbs. Coffee	½					30	0 15	
1,185 Furniture	1						0 30	
9,480 G. Ware	5						1 50	
756 Sugar	½						0 15	
1 Brl. Whiskey	½						0 15	
CLASS 7.								
5,000 W. Ware	2½					40	1 00	
Total amount of Toll paid..							\$76 12	

To all Canal Officers.

(Signed)

J. S. SCHOLFIELD,
for Collector.

LET-PASS, No. 1277.—WELLAND CANAL.

Vessel Permit.—Office at Port Colborne, 5th September, 1868. Permit the Amer. Steamer Akron, of Cleveland, 467 tons burthen, N. Transportation Company Owner, R. Davis, Master, to pass from Toledo to Ogdensburgh.

ARTICLES.	Quantity.	CARGO.		No. of sections for Way-Toll.	Amount of Way-Toll.	Rate Thro' Toll.	Amount through Toll.	Free.
		Where shipped.	Where to.					
CLASS 1.							\$ cts.	
Vessels measuring Tons.....	467	.....	.....	.....	.....	2½	11 68	.....
CLASS 2.								
Passengers of or over 21 years of age.....	5	.....	.....	.....	.....	10	0 50	.....
Passengers under said age, Number .....		.....	.....	.....	.....			.....
CLASS 3.								
4,460 Wheat	135½	.....	.....	.....	.....	20	27 10	.....
CLASS 4.								
1,625 Brls. Flour.....	181	.....	.....	.....	.....	25	45 25	.....
CLASS 5.								
6,000 lbs. Wool	3	.....	.....	.....	.....	30	0 90	.....
CLASS 6.								
700 lbs. M'dze.....	½	.....	.....	.....	.....	60	0 30	.....
Total amount of toll paid...		.....	.....	.....	.....		\$85 73	.....

To all Canal Officers.

(Signed,)

J. S. SCHOLFIELD,
for Collector.

OTTAWA, 29th January, 1869.

Upon the seizure of the Steamer "Akron," the property of the Northern Transportation Company, for alleged violation of the Revenue Laws, and of the terms of their Bond to the Queen of 1st June, 1868, the undersigned has the honor to report that he has carefully examined the papers submitted to him by the Honorable the Minister of Customs, and finds as follows :

The substance of the charges against the Company is contained in the affidavit of William Regan, formerly Steward of the said Steamer, and are to the following effect, viz : He asserts, of his own knowledge, in general terms, that the Company have been in the habit of defrauding the Revenue, by giving false returns of freight and passengers, carried by their Steamers through the Welland Canal, and he specifies that on the 11th June last, the Master of the "Akron" reported 400 bushels wheat short on her trip down ; on the 28th June he reported 200 barrels flour short, and on the 5th September, 275 barrels of flour or wheat short. He further states, that in the month of June or July last, the Captain took on board two passengers with baggage, at McCarthy's wharf, and carried them to Cleveland.

The charges are supported by an affidavit of one Owen Nugent, formerly first mate of the "Akron," who alleges, that to his knowledge, the Captain had taken on board passengers and baggage at McCarthy's wharf, and that the Company had been in the habit of making false returns to the Canal Officers. This deponent gives no specification of time or circumstances, but adds that he had known the Steamer "Akron" to carry from 200 to 250 barrels flour from Toledo to Ogdensburg, more than was reported at the Canal Office at Port Colborne on one trip.

In reply to these charges, the Company furnish the Affidavit of Richard A. Davis, Master of said Steamer "Akron," whose statements are very clear and positive as to the general observance on his part of the Canal regulations, and the faithful reporting of all freight and passengers. He admits, however, that on the trip of 9th—11th June, he did report 400 bushels corn less than he had on board, but he assigns, as his reason for so doing, that the tolls on that quantity had been previously paid by another Boat. Captain Davis further alleges that his reports of 1st July and 5th September were correct according to the freight he had on board. He further swears that the number of passengers reported on each of these trips were correctly reported, and adds that the Canal Officers, Lock Tenders and their families were in the habit of coming on board and going with the vessel from station to station, but they were not considered passengers, not being charged any fare or taken account of in any way.

As to the specific charge of having taken on board two passengers at McCarthy's wharf, he admits that two members of the family of the Superintendent of the Marine Railway of the Company, came over from Ogdensburgh in a small boat, and came on board upon the outside of the Steamer, without landing at all, but he asserts that they were not regular passengers, having paid no fare, and that they had no baggage except satchels carried in their hands, and these were the only persons ever taken on board the Steamer at McCarthy's wharf.

The captain's statements are supported by the affidavits of Edward Russell, acting as Preventive Officer at McCarthy's wharf, and of John McCarthy, the owner of the said wharf, who both aver that to their knowledge the prohibition to take or land passengers was strictly observed by the officers of the boat. Russell, however admits that he did once under pressing and painful circumstances, permit a young man and his sister to leave the boat in order to catch the train for Kemptville, but that he took all the responsibility upon himself.

The Company also furnish the Bills of Lading of the "Akron" of the dates to which the charges refer and the corresponding entries at the Canal Office. The Bills are certified on oath by the Shipping Agents. A comparison of these documents shews some discrepancies.

The Bill of Lading of 11th June, shews the deficiency before mentioned of 400 bushels corn, with an explanation similar to that given by the Captain of the Steamer, further sustained by the affidavit of W. T. Walker, Esqr., to the effect, that a Propeller previously loaded, had taken her cargo from the elevator at night, and not wishing to remain at his office until she was loaded, he had Bills of Lading made for her for the full complement for which she had orders, but that he found next morning by the tally, that she had taken on board four hundred bushels less than was stated in her Bill of Lading, on which tolls had been paid, in consequence of which he had billed the "Akron" at 400 bushels less than she had on board.

This evidence should be further supported by the production of the Bill and entry of the Propeller in question, and some documentary evidence to shew that she really paid toll on 400 bushels more than she carried. The plan adopted, under any circumstances, is highly objectionable and quite unnecessary, as the parties could have readily obtained a refund of the excessive tolls on giving sufficient proof of the fact.

The Bill of Lading of 29th June gives an item of 26 grindstones, weight 2,100 lbs., while the entry gives but 400 lbs., on which toll was paid.

The same Bill gives a buggy and harness to which no weight is attached, and which does not appear in the entry. Also a pump, box and bundle rods, weight 2,600 lbs., not found in entry. The presumption being that no toll was paid on them.

The Bill of Lading of 3rd September, gives 40 sacks wool, weight 8332 lbs., which is entered for toll at 6000 lbs.

Another document of some importance is the affidavit of Geo. A. Eddy, Agent of the Northern Transportation Company, in which he states in substance, that the cargoes of the Steamer "Akron" which passed through the Canal, on 11th June, 1st July and 5th September, turned out according to the Bills of Lading, except that the corn on the first trip, fell short 41 $\frac{2}{3}$ g. He also swears that a statement annexed of excesses and deficiencies during the season of 1868 shews a net deficiency of 2,537 bushels upon which tolls had been paid.

The undersigned regards the evidence presented as meeting satisfactorily some of the charges preferred against the Company, but as proving that certain portions of the freight (not a large portion) had not been reported at all.

As the general charges extend over the whole season of 1868, it is for the Minister of Customs to decide, whether or not, under the circumstances, he will deem it necessary to institute a comparison of the tolls paid with the freight bills of the year, of all the steamers owned by the Company, and passing through the Canal.

Humbly submitted.

(Signed,)

J. JOHNSON,

Assistant Commissioner.

Since writing the above, the undersigned has examined the Bill of Lading of the steamer *Michigan*, of the same line, of the 6th May, and the corresponding entry at the Canal Office, and finds that there was 400 bushels corn entered and toll paid in excess of the quantity upon the said Bill of Lading, and is of opinion that this completes the explanation of the charges, so far as they relate to the said Corn, in a satisfactory manner.

(Signed,)

J. J.

Ottawa, March 3rd, 1869.

The Minister of Customs herewith submits for the consideration of the Treasury Board, the evidence taken in the case of the seizure of the steamer *Akron*, belonging to the Northern Transportation Company, with a Report upon the same made to him by the Assistant Commissioner of Customs.

The Minister of Customs considers the charge of violation of the terms of the bond given by the Company under which they were permitted to take in wood at McCarthy's Wharf, to be so far sustained that it is shewn that passengers were landed and taken on board the *Akron* on more than one occasion, but the explanations given indicate an exceptional character in the circumstances, and a desire on the part of the Company to carry out the specified conditions in spirit, and he is therefore enabled to recommend that no action be taken on the Bond.

Most of the direct charges contained in the affidavit under which the vessel was seized, have been satisfactorily explained, but upon examination of the freight bills, it has been found that a number of articles contained in them had not been reported, and the weight of other parcels understated, for payment of Canal Tolls; but from the general instructions of the Company to their officers, he, the Minister, is led to the conclusion that such omissions and errors may have arisen from a lack of proper carefulness on the part of the officers of the boat.

In view of all the evidence produced, the Minister of Customs feels justified in recommending that the Company's Bond for \$20,000 be cancelled.

(Signed,)

S. L. TILLEY,

Minister of Customs.

Treasury Board, March 3, 1869.

Approved. (Signed,) J. ROSE.

COPY of a Report of a Committee of the Honorable the Privy Council, approved by His Excellency the Governor General in Council on the 5th March 1869.

On a memorandum dated 3rd March, 1869, from the Honorable the Minister of Customs, submitting the evidence taken in the case of the seizure of the steamer *Akron* belonging to the "Northern Transportation Company," with a report upon the same made to him by the Assistant Commissioner of Customs.

The Minister of Customs states he considers the charge of violation of the terms of the bond given by the Company, under which they were permitted to take in wood at "McCarthy's wharf," to be so far sustained that it is shewn that passengers were landed and taken on board the *Akron* on more than one occasion, but that the explanations given indicate an exceptional character in the circumstances, and a desire on the part of the Company to carry out the specified conditions in spirit, and he is therefore enabled to recommend that no action be taken upon that bond.

That most of the direct charges contained in the affidavit, under which the vessel was seized, have been satisfactorily explained, but that upon an examination of the freight bills, it has been found that a number of articles contained in them had not been reported, and that the weight of other parcels was understated, for payment of canal tolls; but from the general instructions of the Company to their officers, he, the Minister, is led to the conclusion that such omission and errors may have arisen from a lack of proper carefulness on part of the officers of the boats.

In view of all the evidence produced, the Minister of Customs states he feels justified in recommending that the Company's bond of \$20,000 be cancelled.

The Committee, on the recommendation of the Honorable the Treasury Board, advise that the bond be cancelled accordingly.

(Certified.)

WM. H. LEE.
Clerk, P. C.

R E T U R N

To an Address of the HOUSE OF COMMONS, dated 10th May, 1869; For copies of all petitions, letters, and papers of any kind relative to the seizure in British waters of the Schooner *Mazeppa*, by an armed body of men, being citizens of the United States.

By Command.

HECTOR L. LANGEVIN,

Secretary of State.

DEPARTMENT OF THE SECRETARY OF STATE,

Ottawa, 21st May, 1869.

RETURN

To an Address of The SENATE, dated 22nd April, 1869 ; For copies of

First,—All papers and documents relating to the accusation, trial and condemnation of the Rev. John McMahon, a Roman Catholic Priest, after the invasion of Fenians in the County of Welland, in the Province of Ontario, on the 2nd day of June, 1866.

Second,—All petitions and memorials praying for the pardon of the said Rev. John McMahon, or the commutation of his sentence,†

Third,—Any notes or reports of the Judge who presided at the trial of the said Rev. John McMahon, addressed to the Governor in Council, and all Reports of Council or Orders in Council on the above subject.

By Command.

HECTOR L. LANGEVIN.

Secretary of State.

DEPARTMENT OF THE SECRETARY OF STATE,
Ottawa, 14th May, 1869.

SUMMARY REPORT

OF PROGRESS IN

GEOLOGICAL INVESTIGATIONS,

Dated 1st May, 1869.

GEOLOGICAL SURVEY OFFICE,
Montreal, 1st May, 1869.

To the Hon. H. L. LANGEVIN, C. B.,
Secretary of State,
OTTAWA, Ontario.

SIR,—The Survey instituted by the Government of Eastern and Western Canada for the geological examination of the area comprised within those two provinces, having by an Act past last Session of Parliament, been extended to all the provinces of the Dominion, and the wider investigation having been commenced last summer, it becomes my duty to place before you for the information of His Excellency the Governor General a summary of the progress which has been made in the work.

The last report of progress of the Survey, as previously constituted, was made in 1866. In the latter part of that year and in 1867, much of my own attention, of that of Dr. T. Sterry Hunt, and other officers of the Survey, more particularly Mr. Richardson, was devoted to the collection, arrangement and illustration of a series of specimens contributed to the Paris Industrial Exhibition of the latter year, showing the mineral resources and geological structure of the country. These specimens were accompanied by a collection of the various publications of the Survey including maps, sections and reports, with palæontological decades and memoirs, and Dr. Hunt, who was sent to Paris specially to explain the contribution, published in French while there a brochure, containing a sketch of the Geology of Canada, and an illustrated catalogue of the specimens. The whole collection was regarded with much attention by scientific men, and rewarded with the following prizes:—

Special grand bronze Medal (hors concours) equal to a gold medal.....	1
Silver medal.....	1
Bronze medals.....	4
Honorable mentions.....	5
Prizes.....	11

On the termination of the exhibition, a series of our rocks, valuable in a scientific point of view, and in which Mr. Daubrée of the Jardin des Plantes, took a special interest, was presented to that institution on behalf of the Survey.

In the latter part of 1867 Dr. Sterry Hunt and Mr. A. Michel, having been instructed to make a cursory general examination of the gold fields of Nova Scotia, with the view of instituting a comparison between the auriferous rocks of that province and of Canada, the Report resulting from the examination, having been specially called for, was transmitted to the Government and printed by order of the Legislature last session; but investigations in other parts have been carried on since 1866, and of these and the work of last summer, I have now to furnish information.

During the last season and part of the previous one the labors of Mr. J. Richardson have been devoted to a detailed examination of the country on the south side of the St. Lawrence between the Rivers Chaudière and Du Loup, and spreading in breadth from the margin

of the St. Lawrence to the boundary between the Province of Quebec and the United States, the object being in continuation of his work above the Chaudière, to trace out the distribution of the Quebec group, one member of which, the Lauzon, is so valuable for its economic minerals. He has ascertained that in the middle of the area, and extending its whole length, there is a synclinal belt of the Sillery formation varying in breadth from two to twelve miles, affected by several subordinate undulations, and presenting a ridge of broken country much covered by forest, and little fitted for the purposes of agriculture. From beneath this on the south-east side there emerges the Lauzon formation, which accompanies the Sillery in its whole length, and displays a breadth one mile in some places and six in others, while it is followed by the black shales and limestones of the Lévis formation. The greatest breadth of this, at each end of the surface it underlies, is about seven miles, and from each end it narrows towards the intermediate part, for about twenty-five miles of which it becomes covered up by the succeeding unconformable Upper Silurian rocks, which here bound the Quebec group in the whole distance, with only a narrow strip of the Sillery and Lauzon, between the upper rock and the Lévis in the more western part.

On the north-western side the Sillery is followed by the Lauzon only, in circumscribed and isolated portions, without any Lévis formation, the Sillery being in contact for the chief part of the distance with what is now supposed to be a lower and unconformable series of rocks. Like the rocks of the Quebec group, this lower series consists of red shales, black shales, limestones, sandstones and conglomerates with an arenaceous base and limestone pebbles. It was formerly classed as belonging to the Quebec group, and it is only on the evidence of fossils that it can be placed on a lower horizon. Some of the fossils are known Primordial species and all have an undoubted Primordial aspect in the opinion of Mr. Billings; but the manner in which they occur does not at once produce a satisfactory conviction that they determine the age of the deposits. The fossils with but few exceptions are in the pebbles of the conglomerates which, though derived from the destruction of Primordial rocks, may possibly not be in such now. The series seems almost to stand in the place of the Lévis, but the want of conformity, shown by the contact with the Sillery and the occurrence of a *Salterella* in an even bedded limestone, would seem to carry the preponderance of evidence the other way. Provisionally this series will be considered Primordial, and as belonging to the upper part of the Potsdam group. It consists, in ascending order of the following divisions.

1. Red, green and black shales, surmounted by even bedded gray limestones, in which a species of *Salterella* occurs with black phosphatic nodules.
2. Grey sandstone with black shales interstratified with conglomerates, having a calcareo-arenaceous cement holding limestone pebbles, with occasional black phosphatic nodules. The calcareous pebbles hold fossils of Primordial type.
3. Gray quartzose sandstones, passing into quartzites which are often of a conglomerate character, with limestone pebbles holding fossils like those in the previous division. The beds are occasionally interstratified with black shales.

These deposits present themselves between the Sillery ridge, and the St. Lawrence in a belt of country, extending the whole distance examined, with a breadth in one part of twelve miles. In this they are arranged in two main synclinal forms, with many minute undulations, and they are overlaid unconformably by two long synclinals of the Lauzon and Sillery, one of them with a stretch of sixty miles.

Although rocks of the age of the Quebec group thus continue in a north-eastern course down the valley of the St. Lawrence, they appear gradually to lose the magnesian deposits and accompanying metalliferous minerals, which to the southwest give them so much value. While the strike of the group is northeast, the limit at which the metalliferous indications in succession die out, seems to trend more to the eastward, in which direction it finally runs obliquely under the rim of the Upper Silurian series, and leaves the Lauzon barren of metalliferous ores in its prolongation beyond.

For the last three seasons the attention of Mr. H. G. Vennor, has been bestowed upon the investigation of various rocks, which are spread out in the counties of Addington, Hastings and Peterboro, in the province of Ontario, and which have been more than once mentioned in previous reports. Their lithological characters and economic contents were given in some detail in the report of Mr. Thomas McFarlane for 1866. Iron, lead, copper and antimony were then known to be the metals by the ores of which they were characterized, to which have since been added gold, silver and bismuth. After much research in tracing

out the distribution of these rocks, Mr. Vennor has been able to determine the geological structure of the district and the stratigraphical relations of the iron and gold.

The series consists in descending order of the following general divisions:—

1. Calc-chists, dolomites, mica slates and siliceous slates, the latter two characterized by extensive lenticular masses of conglomerate, with pebbles of quartzite, gneiss and green stone at the base of which there appears to be an auriferous band.
2. Hornblendic, pyroxenic and chloritic slates, characterized at the bottom by passing occasionally into beds of magnetic iron ore of commercial importance, and succeeded in some places by gray and red granitic gneiss, and hornblendic schist, interstratified with bands of crystalline limestone.
3. Syenitic rocks varying in color from flesh-red to brick-red and forming the base on which the rocks appear to rest throughout the district.

This series lies in a general synclinal form between the counties of Addington and Peterboro with a breadth of about thirty-five miles, which has been traced to the north-eastward from the position where it emerges from beneath the overlying Lower Silurian rocks on the south-west, to within half a mile of the York Branch of the Madawaska River, a distance of about forty-five miles. Many subordinate undulations, striking to the North-east, and affected by transverse geological depressions and elevations, cause the distribution to assume a very complicated figure, presenting a number of basins in the upper division, more or less united with one another, the intricate outline of which can only be made intelligible by being represented on a map.

The iron ore beds of Belmont, Marmora and Madoc, which have often been separately described, are found to be on the same horizon with one another, at the base of the upper division, while the localities in which gold has been discovered, appear to place an auriferous zone at a short distance above the iron belt, the separation between the two being seldom more than the breadth of half a lot or between three and four acres.

The calc-schists are in one or two places marked by the presence of *Eozoon Canadense*, and anorthosite rocks have been found rising above the upper division in isolated masses; but from the difficulty of finding any marks of stratification in them, it can scarcely be decided whether or not they are conformable, and before the question whether the Hastings series belongs to the Upper or Lower Laurentian can be satisfactorily determined, further investigation will be required. Provisionally the series is classed with the Lower Laurentian.

The investigations of Mr. C. Robb embrace a region which is situated in the central and north-western part of New Brunswick, comprising chiefly the counties of York, Carleton and Victoria. In this he has traced the north-western base of the great Carboniferous area of the province for about seventy-five miles, as well as the boundaries of three extensive outliers of the Carboniferous series, one situated in the parishes of Prince William, Dumfries, and Queensberry in York County; another which had not been noticed by any previous observer, in Brighton and Peel parishes in Carleton, and a third in the Tobique valley, in Victoria.

From beneath the Carboniferous rocks there emerges a series of contorted slates interstratified with bands of hard gray, bluish and greenish micaceous sandstones approaching quartzites. With these, in a north-easterly direction, there runs a belt from ten to fifteen miles wide, removed from five to fifteen miles from the main Carboniferous outcrop and rudely parallel with it, which is characterized by the presence of granitic masses, the relations of which are obscure. The age of the contorted slates has been doubtful, but the discovery of thin fossiliferous bands in three localities at wide intervals across the strike, will be serviceable in throwing some light upon the subject. Mr. Robb has confirmed the discovery by visiting the localities where he obtained several of the fossils, among them *Conetes Canadensis*, *Leptocoelia fiabellites*, and an unnamed *Streptorynchus*, which all belong to that part of the Gaspé rocks, which have been described as forming a passage between the Upper Silurian and Devonian series; and there is also *Rensselaeria ovoides*, a species of the same horizon. These were obtained at a distance of ten miles from the Carboniferous base, on the east side of the granitic belt. Twenty-seven miles farther and on the west side of the belt, occurred a *Favosites* and some obscure brachiopods of an Upper Silurian aspect, while thirty-four miles still further across the stratification a thin band of limestone yielded an Upper Silurian form of *Airyia reticularis*.

As much interest has recently been excited by the reported discoveries of gold bearing

rocks in New Brunswick, Mr. Robb visited some of the lands in Victoria county which had been leased for gold mining purposes. He also visited and made special examination of those localities, within the general area designated, which have been supposed to be productive of other mineral of economic value, or in which mining operations had been instituted. Quartz veins, forming apparently lenticular masses and running in the strike, characterise the slates in many parts, and several in Victoria county were pointed out to Mr. Robb, as having yielded the precious metal. None of it was visible to the naked eye, and specimens of the quartz were therefore brought to the Survey Office for assay. They have been analysed by Dr. T. Sterry Hunt, but no gold has been found in them. This however is not to be taken as absolute proof of the absence of the precious metal in every part of these veins, for the presence of gold in quartz is so capricious that of several specimens taken from the same vein, some may yield a fair quantity and others none at all. The slates in which most of the auriferous quartz occur in the Eastern Townships of Quebec, are classed as Upper Silurian, and they appear to have some resemblance to those of Victoria. The discovery of alluvial gold also in Victoria, asserted by several respectable persons is a farther evidence on the subject, though none of it rewarded the trials of Mr. Robb.

During several months of the season I availed myself of the services of Professor W. B. Bailey of New Brunswick College, Fredericton, and Mr. G. F. Mathew of St. John, on an exploration in southern New Brunswick. These gentlemen worked in unison, sometimes together and sometimes separately, but in the latter case always finally comparing results. The area of their investigation comprehended the western portion of the counties of St. John and Kings, and the greater part of the county of Charlotte, or geologically a metamorphic district included between St. John and Nerepis Rivers, on the east, and the boundary of Maine on the west, extending north from the Bay of Fundy and several of its islands on the coast towards the southern boundary of the great Carboniferous area of the Province.

This region appears to embrace a complicated distribution of rocks belonging to the Larentian, Huronian, Lower Silurian, Upper Silurian, Devonian and Carboniferous eras, and when well studied out may, in a comparatively small area, afford the means of co-relating different members of the whole series of formations in localities where each may be more extensively spread. Messrs. Bailey and Matthew have heretofore directed their efforts to the elucidation of this intricate region, but on this occasion they have carried their investigations into much greater detail. They have ascertained many new facts, which will serve to correct the results of previous partial explorations, and greatly advance a subject still far from complete.

In their investigations, Messrs. Bailey and Matthew did not fail to bestow careful attention upon the various economic substances which occur in the district examined. Those which are likely to prove available, are the ores of iron, lead and copper, with building stones, marbles, roofing slates, graphite and peat.

The attention of Mr. D. Honeyman was applied in Nova Scotia to an examination of various parts of the townships of Maxwelton, Arisaig and Antigonish in the counties of Pictou and Antigonish, especially those extending along the sea coast for a few miles inland, embracing rocks of the Silurian and Carboniferous eras. Belonging to the latter on both sides of Antigonish harbor, there are important deposits of gypsum, well situated for the purposes of trade, and the recent investigations of Mr. Honeyman appear to have considerably extended the surface under which the mineral was previously known to exist.

In Nova Scotia I availed myself also for a short time of the services of Professor H. How of King's College, Windsor, whose attention was directed to various parts of the County of Digby, where the ores of iron with some indications of copper and lead appear to be the chief substances of economic interest.

About ~~two~~ months of my own time have been occupied in the investigation of the structure of that part of the Pictou coalfield in Nova Scotia, which lies southward of New Glasgow, and extends several miles on each side of the East River. In this I was aided by Mr. E. Hartley, and with the view of hastening the examination as much as possible, we divided the work into two parts. That on the west side of the river was wholly committed to Mr. Hartley, that on the east was undertaken by myself.

The true structure of a coal field, in which valuable seams of the fuel exist, being a

matter of great commercial importance, no pains should be spared in making it out; but where as in the present instance, it is of a complicated character, while natural exposures and crop workings are but few, it will demand much time to accumulate the number of facts required to arrive at a satisfactory conclusion. We do not pretend that in three months we have been able to accomplish our task, but it appears to me that we have added considerably to what was previously known, and at a future time we hope still further to advance the subject.

The New Glasgow productive coal measures appear to lie between two great up throw faults, which are about three miles apart on the East River, and run nearly parallel to one another in a bearing northward of west. The coal field is about ten miles long between Middle and Sutherland Rivers, and it is broken by several obliquely transverse faults. The measures suffer some undulations, and in several parts the coal seams abut against the one bounding side fault or the other.

On the west side of the East River, the principal coal bed, being the one on which are established the Albion, the Acadia, the Intercolonial and the Nova Scotia collieries, is called the main seam. It is about thirty-five feet thick at the first named colliery, and about twenty feet at the others. Beneath this there is a seam of twenty-four feet, one of five feet and one of eleven feet, all in a thickness of about 500 feet; besides which about 200 feet lower, there is a four feet seam, made up partly of coal and partly of a species of carbonaceous shale, yielding much oil by distillation, and formerly giving it great value.

On the east side, besides an oil-shale seam of about four feet, on a different horizon however from the one just mentioned, there are among other coal seams of minor importance, one of four feet, one of six feet, and one of eight feet, all of good quality, with others of inferior quality but greater thickness beneath. The most important of the whole is the eight feet seam, which where exposed is of excellent quality, in its whole thickness. It has been only lately opened by Messrs. McBean on their three mile area, much of which it will underlie; the crop of it, having already, since I left Nova Scotia, been traced three quarters of a mile, running obliquely transverse between the two great up throw faults mentioned.

To elucidate the structure of this coal field, a map is in preparation, but not yet completed, and when transmitted to the Government, it will be accompanied by reports, giving such details of structure as we have been able to collect, and in which we shall take the opportunity of thanking many persons for the information and assistance they have afforded. The reports will be accompanied by an appendix, giving in a tabulated form, analyses of various coal seams of this field, some of the analyses recently made, and others collected from different official sources, not now readily accessible, as well as information which could not be conveniently introduced into the body of the reports.

From the various assistants whose works of exploration have been mentioned, reports have been received; but having only lately come into my hands it will require some time to study them thoroughly, and therefore be necessary to defer their presentation to a future occasion.

I have further to mention the investigations of Dr. T. Sterry Hunt, on which he is preparing a detailed report nearly complete. This will contain his investigations of the salt wells of Goderich and its vicinity, being a continuation of the details given in his report of 1866, with an account of the new wells sunk at Clinton and Kincardine, and analyses of the various brines; details on the making of salt in boilers as pursued at Goderich, and comparisons between the results obtained there and at Syracuse in New York; the difficulties of this system with our brines, and the advantages of evaporating in pans. It will contain a description of the method of making salt by solar evaporations, with suggestions for its introduction in the Goderich region, and the methods of refining and preparing salt for market; the whole based upon careful comparative studies made at Syracuse in 1868.

It will comprehend also observations on our iron ores, and the mode of working them; analysis of the Laurentian ores from various localities; investigations of the chemical composition of the iron sands of the lower St. Lawrence; descriptions of the direct method of extracting iron from ores in the bloomery fire, as practised in the United States and at Moisie, its advantages and economics in certain cases, as compared with puddled iron; a description of Ellerhausen's process, and the probable utilization by it of our iron sands; with general remarks on the manufacture of iron and steel, based on studies at the Exhibition in Paris in

1867, and subsequent observations in Canada and the United States; as well as considerations on the use of peat, sawdust and other cheap fuels.

Lastly, it will contain examinations and assays of gold bearing ores from the Hastings district, with notes on the occurrence of gold there; assays of bismuth and antimonial ores from the same region, and other miscellaneous matter.

I have the honor to be, Sir,

Your obedient servant,

(Signed,)

W. E. LOGAN.

—000—

RETURN

Relative to the Harbour of the Town of Owen Sound, under the Act 24 Vic.,
cap. 63, sec. 1.

OWEN SOUND, 13th May, 1869.

To the Honorable the Secretary of State
for the Dominion of Canada.

SIR,—I have the honor to inform you that the amount collected for the year 1868, under 24 Vict. chap. 63, relative to the Harbour of the Town of Owen Sound was \$2,103, and that the amount expended was \$332, which amount was expended for repairs, lighting, and costs of collection, &c.

I have the honor to be,
Your obedient Serv't,

JNO. MILLER,
Town Treasurer.

RETURN

To an Address of the HOUSE OF COMMONS, dated 23rd April, 1869; for a Return shewing what progress has been made in opening up communication between Fort William and the Red River Settlement; also, what amount has been expended upon said work, together with names of parties to whom amounts have been paid in connection with such work, and for what service.

By Command.

HECTOR L. LANGEVIN,

Secretary of State.

DEPARTMENT OF THE SECRETARY OF STATE,

Ottawa, 19th May, 1869.

(Copy of No. 5,334)

FORT GARRY, RED RIVER SETTLEMENT,
9th November, 1868.

To the Hon. WILLIAM MACDOUGALL, C. B.
The Commissioner of Public Works.

SIR,—I have this day drawn upon you at sight through the Bank of Montreal in Ottawa, in favour of A. G. B. Bannatyne, Esq. for £263 6s. 3d. sterling, and another draft at sight in favor of John Schultz, Esq., M. D. for £120 sterling. The former draft covers the expense of cartage of a large portion of my provision and implements from Georgetown to this place, and purchases of additional supplies, and the latter covers purchases of supplies amounting to £70 17s. 7d. sterling, together with a sum of £49 2s. 5d. sterling, received by me in cash at the hands of Dr. Schultz for present use.

I have to say that I think it advisable that a credit should be lodged with the Governor of the Hudson's Bay Company here for the sum, say, of one thousand pounds sterling, to be drawn upon as required in the prosecution of the duties assigned to me.

The distance from this settlement to the nearest American town, where drafts can be negotiated, is so great as to render it absolutely necessary that some arrangements of this kind should be made at once in order to facilitate operations. The ordinary charge the Hudson's Bay Company make here on drafts through them is five per cent, but I have reasons to believe that this charge has hitherto been made for reasons which will not apply in our case, and that there will be little difficulty in negotiating through them drafts at par for any amount required.

A considerable portion of our purchases here has been made in consequence of our inability to get down the balance of our stuff (including our groceries) on account of the lateness of the season. By paying extremely exorbitant rates to freighters, who are naturally unwilling to undertake a journey of four hundred miles with ox carts at this season of the year, we might have succeeded in getting these supplies; but ascertaining that in January we can hire the same carters to bring in the supplies on sleds at a slight advance on summer rates, we deemed it advisable to purchase here what we required in the meantime until the balance of our own supplies could be hauled in in winter time from Georgetown.

As it is, the expense of freight to this place has been heavy. Under ordinary circumstances, freighting so long a distance at the rate of twenty miles a day is very expensive, but the calamity which has happened to this settlement has rendered necessary the employment of so many carts in bringing in supplies for the settlers' use that it was a most difficult matter to procure the number we required. I have to say that, having completed all our arrangements here, Mr. Mair and I leave Fort Garry this morning for our Head Quarters at Oak Point, some thirty miles from this place, and that active operations will be begun at once. From the observations made by me last week on the line from Oak Point eastwards, I feel satisfied that, should no greater difficulties intervene between the points reached by me and the Lake of the Woods than that already known, this section of the Road, under ordinary circumstances, could be constructed at a cost decidedly within the estimate.

I may add that I anticipate some difficulty at first in prosecuting a work of this kind with unaccustomed laborers, but that the people here are greatly interested in its success and anxious for its completion.

I am, Sir,

Most respectfully,

(Signed,)

JOHN A. SNOW.

Superintendent.

(Copy of No. 3,724)

DEPARTMENT OF PUBLIC WORKS,

Ottawa, 11th December, 1868.

SIR,—I compliance with the request of Mr. John A. Snow, Superintendent of the Red River and Fort William Road, that the sum of £1,000 sterling, should be placed to his credit at Fort Garry, to be drawn as required, I am instructed to inform you that Mr. Snow's drafts upon this Department for that amount, through the Bank of Montreal, will be duly honored.

I have the honor to be, &c.,

(Signed,)

F. BRAUN,

Secretary.

The Governor of Hudson's Bay Co.,
Fort Garry.

(Copy of No. 3,725)

DEPARTMENT OF PUBLIC WORKS,

Ottawa, 11th December, 1868.

SIR,—I beg to inform you that in compliance with the suggestions contained in your report of the 9th ultimo, the Governor of the Hudson's Bay Company at Fort Garry, has been this day advised that your drafts upon this Department for £1,000 sterling, through the Bank of Montreal, will be duly honored.

I have the honor to be, &c.,

(Signed,)

F. BRAUN,

Secretary.

J. A. Snow, Esq.,
Superintendent, Red River Road,
Fort Garry.

(Copy of No. 5,556)

RED RIVER ROAD DEPOT,

Mistamiscano, December 1st, 1868.

At Junction of Woods and Prairie, about
30 miles east of Fort Garry.

SIR,—I have the honor to inform you that since the date of my last report, I have explored the country lying between this place and White Mouth River in the direction indicated by Mr. Dawson, a distance of about 30 miles, and I have now the survey and final location of the line, completed to Broken Head River, a distance of fifteen (15) miles.

I have found it necessary to deviate largely from the trail made under the direction of Mr. Dawson, obtaining thereby a much more direct line, and avoiding a considerable portion of the swampy lands crossed by the trail.

So far as my exploration extends, I do not find the country so swampy as is represented by Mr. Dawson's map, but consisting of a succession of low, sandy and gravelly ridges running (fortunately) in an easterly direction, with open beaver meadows, or muskeys (as they

are here styled) between them. The margins of these meadows are very irregular, resembling the general configuration of lakes, shewing in many instances narrow connections from one to another (suitable places for the road to pass). Of course the dry land has similar indentations, requiring a great deal of surveying to be done, before the road line can be satisfactorily determined.

The ridges have generally only a few feet of elevation above these open meadows, and are in most places covered with a recent growth of aspen and oak, varying from six to thirty feet in height. In some instances, fires have killed this timber, and the ground is thickly strewn with fallen trees, crossed in every direction. The soil is sandy and gravelly and will make an excellent and durable road, when properly grubbed and graded.

I have now twenty-three (23) men on the works, and the number will no doubt go on increasing.

With this number the survey has been accomplished as above described. A comfortable shanty twenty-four (24) feet square has been erected, and from four (4) miles of line, completely cleared of timber to the width of sixty (60) feet. The work on the road commenced on the 9th of November, and the pay list amounts to Thirty-seven pounds, four shillings and eleven pence sterling (£37 4s. 11d. stg.) irrespective of board.

The only work that can be done during the winter, will be the clearing of the track. Fascineing such swamps as are met with (to be in readiness for covering with earth in the spring) and bridging the streams.

The season so far has been extremely favorable for this kind of work, as yet we have only two (2) inches of snow. During the month of November, every day has been fine, with the thermometer varying between 20° and 35° above zero.

Taking into account the apparent scarcity of provisions, the application for labour has not been as great as I anticipated, and in general those engaged would prefer to be paid partly in cash or clothing, rather than entirely in provisions at cost price here. Before the first of May, however, I anticipate the real scarcity of food will be more sensibly felt.

From recent conversation here with persons well acquainted with the shore of the Lake of the Woods, I am inclined to believe that Mr. Dawson's shewing of the north-west angle of that lake, does not agree with the monuments in the field. And in order that the terminus of this road may be on British Territory, I have to request you to forward me, with the least possible delay, a copy of Mr. Thompson's plan of this portion of the boundary survey.

I am desirous of pushing my explorations through, without delay, to the Lake of the Woods, anticipating considerable difficulty in getting a practicable route in the vicinity of that lake, and as this point will no doubt become a place of great importance, it is necessary that the terminus should be so located that it may be at as great a distance as possible from American Territory.

I have the honor to be, Sir,

Your most obedient servant,

(Signed,)

JOHN A. SNOW,
Superintendent, Fort Garry Section,
Red River Road.

To the Hon. W. MacDougall, C. B.,
Commissioner of Public Works,
Ottawa City, Ont.

(Copy of No. 3,818)

DEPARTMENT OF PUBLIC WORKS,
Ottawa, 29th December, 1868.

SIR,—As requested by your letter of the 1st, received on the 28th instant, I enclose herewith copy of Mr. Thompson's plan of a portion of the boundary survey between Canada and the United States.

I have the honor to be, &c.,

(Signed,)

F. BRAUN,
Secretary.

JOHN A. SNOW, Esq.,
Supt. Red River Road,
Fort Garry,

(Copy of No. 5,734)

RED RIVER SETTLEMENT,
4th January, 1869.To the Hon. WM. McDougall, C. B.
Minister of Public Works,
Canada.

SIR,—I have the honor to report further progress made upon the works here under my charge during the month of December. The number of men employed has been forty-one including foremen, and five miles of the road have been opened. On this distance nearly one mile of fascineing has been required, and is now fully completed and ready for gravelling in the spring. The whole distance opened to date is nine miles.

The line is completely surveyed to Broken Head river and explored to White Mouth river. On all that distance of about thirty miles the country is extremely favorable for good road making. The half breed and french labouring are good, active axe-men and obedient.

Indians in the neighbourhood are apparently friendly and have so far asked for nothing excepting a few presents at Christmas and New Year.

Up to the 20th December, very little snow had fallen, but since then several violent snow storms have occurred, and the depth of the snow is now about two feet and will make the work of clearing and underbrushing the line much more tedious and consequently more expensive.

As soon as this survey is completed to White Mouth river, I intend going quite through to the Lake of the Woods, and shall then thoroughly explore that portion of the line.

Applications for work have been very numerous of late, and plainly indicate the increasing scarcity of food in the settlement. I shall continue to employ as many men as the nature of the work and the season of the year will admit.

I have the honor to be, Sir,

Your obedient servant,
(Signed,) JOHN A. SNOW.
Supt. Fort Garry Sec.
R. R. Road.

(Copy of No. 3,956)

DEPARTMENT OF PUBLIC WORKS,
OTTAWA, 4th February, 1869.

SIR.—I beg to furnish you, for your information and guidance with the following statement of the Fort Garry Road account, viz :—

Paid Mr. Snow's drafts to date.....	\$7,611.87
" McDougall's "	5,110.10
" Mr. Mair.....	200.00
	<hr/>
	\$12,921.97
Balance in hand, Bank of Montreal.....	2,078.03
	<hr/>
Amount of Order in Council.....	\$ 15,000.00

I have the honor to be, Sir,

Your obedient servant,
(Signed,) F. BRAUN,
Secretary.

John A. Snow, Esq.,
Supt. Fort Garry Road.
Fort Garry.

(Copy—No. 6,257)

HEAD QUARTERS, R. R. & L. S. ROAD,
OAK POINT, 8th March, 1869.

SIR,—I have the honor to acknowledge the receipt of your letter of the 4th ultimo, advising me of the amount drawn on account of the works here at that date, and also of the amount of the appropriation made for the service under my charge. These matters shall receive due attention.

My last report of progress informed you of the amount of work done up to the end of he month of December, between which, and the last of February, eleven additional miles

have been completed, in which three-quarters of a mile has been fascined. The material for a bridge over the Broken Head River has been prepared as well as a fourth and fifth shanty, built for the accommodation of the men, who have just been removed to the latter shanty.

The whole distance opened is twenty miles.

I shall be able to continue the work without interruption until the end of this month, or till the spring floods commence.

The attendance of the men has been very irregular, they being obliged to take provisions to their families at least once a month, and to provide them with firewood and other necessities.

I have surveyed a line for the road from the Red River at the mouth of the River La Seine, uniting with my survey at the entrance to the woods. This line I have located on the best and shortest route, and find the distance to be twenty-eight miles, of which three and a quarter miles will have to be fascined; the balance, or twenty-four and three-fourth miles, is on fine dry land, admirably adapted for settlement.

The terminus which I have selected at Red River, appears to me to be the most favorable locality for bridging that stream, and will avoid an expensive bridge over the River La Seine, which here runs in a deep and wide ravine.

I have also surveyed and located the line from Broken Head River to White Mouth River, a distance of fifteen miles and seventy chains. The entire length of line located to date is fifty-eight and three-fourth miles.

The White Mouth River is two hundred and forty-eight feet wide, between the top of its banks at the site which I have selected for the bridge, and the banks are about sixteen feet high above low water. A rapid occurs here, and the bed of the stream is composed of fixed rocks strewn with boulders, which will be required for pier filling. At present there is very little water in the stream passing the rapid, but at the spring flood it has a depth of from six to eight feet.

I shall endeavor to prepare the timber for a bridge here during the month of April, before the frost has left the swamps, in which only suitable timber can be found.

I have explored a considerable portion of the route between White Mouth and Birch Rivers, and started to go through to the Lake of the Woods, but my principal man or guide, falling ill, and the snow being very deep, and too light to afford good snow-shoeing, I was unable to proceed.

This part of the line can be explored to more advantage during the ensuing autumn than at any other period.

There has recently been a considerable falling off in the number of men, and very few new applications for labour, and I am of opinion that able bodied men will be scarce in the spring.

The nature of the work being entirely foreign to their tastes, especially the use of the pick and shovel which has never been used here, and in order to prosecute the work of grading the road, men must be obtained elsewhere.

I would also suggest that the men be paid entirely in cash, as soon as the Red River navigation is open, as the country will then be well supplied by the merchants here, with provisions at as cheap a rate as we can afford to sell them, unless sold under cost, and already those employed would prefer cash instead of provisions at cost, as payment.

I have the honor to be, &c.,

(Signed,)

JOHN A. SNOW,

Supt. Fort Garry Section,
Red River Road.

The Honorable William McDougall, C. B.
Minister of Public Works,
Canada.

(Copy of No. 6,719)

Hon. WILLIAM McDUGALL, C. B.,
Minister of Public Works, &c, &c.
Ottawa.

HULL, May 4th, 1869.

SIR,—In my report of progress of the 8th of March last, I detailed to you what had been accomplished upon the works under my charge up to the end of the month of February.

I have now the honor to inform you that since then eight miles additional have been opened, in which one half mile has been fascined, and a shanty built at White Mouth River. The total number of miles opened to date is twenty-eight, of which two and one-fourth have been fascined. The works as far as possible were suspended on the first of April.

As stated in my report above referred to, the line selected by me for the road across the Prairie section, commences a little below the mouth of River La Seine, opposite a bend in the Red River known as Point Douglass. The river is here five hundred feet wide at low water, and seven hundred between the top of its banks, which are of the uniform height of twenty feet above low water. This is the most favorable site for a bridge over the Red River, below the mouth of the Assiniboine and only a short distance below the town of Winnipeg. By leaving the Red River at this point, an expensive bridge is avoided over the River La Seine, and the approach to the river is on better ground and in a more direct line than could be obtained elsewhere.

Going eastward from Red River for eight miles the line follows a chain of coteau like islands in the surrounding low and swampy prairies, which is annually flooded in spring by back water from the River Seine, and one of its tributaries upon which a dam has been erected for mill purposes.

On these eight miles, three and a quarter miles will have to be fascined, and then deeply covered with the best material that can be obtained. On the coteau or islands, the road will require to be well graded, and several off-take drains will be required to discharge the surface water into the Seine.

From the 8th to the 22nd mile post, the line is on fine dry prairie, in a very direct line, having the River Seine generally but a short distance on the right. At the 22nd mile post, a low prairie occurs one mile and thirty chains in width. The soil is here hard and fine, and although covered with water in spring, can be crossed without danger. It is produced by back water from a large muskey or marsh in which the Seine is lost for a distance of nearly two miles. The marsh is entirely overgrown with rank grass and reedy, with here and there willow bushes and small tamarack trees. The marsh acts as a dam in spring, producing extensive tracts of wet prairie in the vicinity.

In order to make a permanent road across the wet prairie here, a large drain must be made on the side next the marsh completely across the low land, uniting with the Seine a little below where it issues from the marsh. A smaller drain will also be required on the opposite side of the roadway, with a culvert to convey the water which may accumulate in it across the road into the main drain. The remaining portion of the prairie section, five and three-fourth miles traverses a dry level prairie.

The soil is here exceedingly rich and fertile, being a mixture of clay and sandy loam, more easily tilled, and is said to produce better grain than the more tenacious clay soil of the banks of Red River; situated on this tract, on either side of the River La Seine is the settlement of Oak Point, numbering about forty families; they are nearly all either French Canadians or half breeds.

The wooded section surveyed consists of a succession of sandy and gravelly ridges and areas, extending in longest diameter east and west and separated by open meadows or tamarack and spruce swamps. On the dry land the timber is oak and poplar, as far eastward as Broken Head River, thence to near White Mouth River it is chiefly cypress. The soil where the oak and poplar grows is tolerably good, but here, being so much inferior to the soil of the prairie will for years to come be entirely neglected. Very large tracts of this wooded section have been run over by fire, which in some places kills all the trees, and the ground is now covered with their fallen bodies, crossed in every direction, among which a vigorous growth of young trees has sprung up. Grass grows everywhere except in the very thickest swamps, and I observed a great many horses grazing here all winter in excellent condition.

When grubbed and graded the road in this wooded section will be equal to the best gravel road in Canada, and much superior to the road on the yielding soil of the prairie section.

The works were in progress from the 9th of November to the 1st of April, during which period an average of forty men were employed, besides a large number of teams in forwarding supplies and in hauling material for fascineing the swamps. To the laborers an average of eighteen dollars per month has been paid (exclusive of board) chiefly in provisions at cost price, the balance in cash to enable them to purchase such articles of clothing as they required.

On account of the works the sum of sixteen thousand two hundred and twenty-six dollars and forty-six cents (\$16,226.46) has been advanced. The stock on hand consists of a complete outfit of such tools as are required in road making, with camp equipage, &c., amounting in value to one thousand three hundred and twenty dollars (\$1,320.00)

The stock of provisions consists of two hundred barrels of flour and twenty-five barrels of mess pork at Fort Abererombie, and fifty-one barrels of flour and sixteen barrels of mess pork at Georgetown, the value of which may be stated at three thousand seven hundred and ninety-one dollars, (\$3,791) shewing the total value of stock to be five thousand one hundred and eleven dollars, (\$5,111) reducing the actual expenditure to (\$11,115.46) eleven thousand one hundred and fifteen dollars and forty-six cents.

On my way returning to Canada (with the concurrence of Joseph McDougall, Esq., your agent at St. Paul,) I contracted with Dr. J. C. Schultz to forward in flat boats, *via* Red River, the provisions then lying at Abercrombie and Georgetown to Fort Garry, at 5s. sterling per hundred pounds, the Doctor assuming all risk attendant upon the navigation. These supplies are to arrive at Fort Garry on or before the first day of June next.

During the autumn and winter the current rate for freight was 10s. sterling from Georgetown, and 14s. from Abercrombie to Fort Garry.

The cost of the works done has been very much increased by the season of the year to which my operations have so far been confined, and the extraordinary outlay occasioned by having to transport the necessary supplies so great a distance so late in the season.

The main object of the expedition has been attained, that of furnishing to the industrious labourers, during a period of great scarcity, the opportunity of obtaining food for themselves and families during the winter months.

As some fears were entertained at the commencement that the numerous Indians in the vicinity of the Lake of the Woods might be troublesome, I am glad to be able to state that, although visited by a great many of these people and several of their chiefs, they were all peaceably inclined. To their long and sometimes very interesting speeches we were obliged to listen and reply, after which, upon receiving a present of food and tobacco, they always left with expressions of friendship.

Upon the arrival of the provisions now under way at Fort Garry, the work may be resumed, and as large quantities of supplies are being brought in by the merchants of Red River, any additional quantity can be obtained there, and I would suggest that all future payments to the men employed be made in cash.

I shall hold myself in readiness to return to the Red River settlement upon the shortest notice.

I have the honor to remain,

Your obedient servant,

(Signed,)

JOHN A. SNOW,

Supt. Fort Garry Section,
Red River Road.

Return shewing the amount expended in opening up communication between Fort William and Red River Settlement, together with names of parties to whom amounts have been paid, and for what service, from 1st July, 1867, to 30th April, 1869:—

John A. Snow,	On account of disbursements.....	\$ 9,539.36
Jos. McDougall,	do do	6,487.10
S. J. Dawson,	do do	3,100.00
C. Cair,	do do	200.00

\$19,326.46

Department of Public Works of Canada.

REPORT

ON

THE LINE OF ROUTE

BETWEEN

LAKE SUPERIOR AND THE RED RIVER SETTLEMENT.

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OTTAWA, 1st May, 1869.

SIR,

I have the honor to submit to your notice a report on the subject of opening the communication between Lake Superior and the Red River Settlement.

The country to be traversed is rocky and mountainous on the borders of Lake Superior, but, at a short distance in the interior, a high plateau is attained, where the waters of the St. Lawrence and the Winnipeg have their common source. The lowest pass in this elevated region is 839 feet above the level of Lake Superior, or 1479 feet higher than the surface of the sea. Proceeding to the westward, the descent, by the water courses, is very gradual, amounting only to 450 feet in a distance of some three hundred miles. The country, nevertheless, continues rocky and mountainous as far as Fort Frances, where the eastern border of the great silurian belt, which underlies the region to the west, is reached, and from thence to the Lake of the Woods the country is comparatively level and the navigation uninterrupted.

In the region between the high plateau of the water-shed and Fort Frances, the valleys between the mountain ranges are occupied by deep lakes, and those on one of the routes which have been followed occur in such close succession, and are, otherwise, so advantageously situated in relation to each other, as to afford an easy means of obtaining continuous navigation, at a moderate outlay, and this, too, in a region where rock, mountain and water are so commingled as to render it exceedingly difficult to establish lines of land transport.

The scheme of opening the communication proposed in the following and in the previous reports, has for its ultimate object a railroad from Lake Superior to the navigable waters of the interior; navigation rendered continuous, by means of lock and dam, from its terminus to the north-west angle of the Lake of the Woods, and a railroad from the latter to Fort Garry.

The railroad at Lake Superior would be forty miles in length. The navigation, commencing at its terminus, would cover a distance of three hundred and eleven miles, and would be connected, at its western extremity, by a railroad of ninety miles with Fort Garry.

Some years must elapse in carrying such extensive works to completion. In the meantime, it is proposed to open the communication as speedily as possible, by good wagon roads connecting the navigable waters of the central section with Lake Superior, at the one end, and with Fort Garry at the other. And, at the same time, to lessen the number of transshipments, in the region of the Lakes, by such preliminary works as could be rapidly carried out.

By adopting a progressive system of this sort, a first class communication would be attained as quickly as by any plan that can be adopted.

The first preliminary works would attract the trade of the North-West Territories to Lake Superior, and their enlargement and extension might be proceeded with as fast as possible, or as the means of the country would permit, always going on with those which were most wanted and would in turn produce the greatest effect, until the whole were completed.

Good wagon roads at either end of the navigable section, combined with a little improvement in the region of the Lakes, would at once give to the people of the Red River Settlement a better means of obtaining their supplies than that which they now possess, and would, at the same time, afford to immigrants the means of reaching the Prairies of the West.

I have the honor, to be, Sir,

Your most obedient servant,

(Signed,)

S. J. DAWSON.

Hon. William McDougall, C.B..

Minister of Public Works,

&c., &c., &c.

Ottawa.

EXPLORATION OF 1868.

My report of last year contained a brief description of the country between Lake Superior and the Red River Settlement, with an estimate of the cost of opening the communication in such a manner as I believe would involve the least possible outlay, while it would, at the same time, have the effect of attracting the trade of the North-West Territories to Canada, and serve as a preliminary step to works of a more comprehensive character in the future.

I have now the honor to report on the operations of last summer, undertaken and carried on under the direction of the Department of Public Works, with the view of ascertaining whether an improvement might not be made in the Eastern section of the route, by deviating from the projected Dog Lake road and adopting the West instead of the North branch of the Kaministiquia, as the basis of a line which should embrace all the navigable water which could be rendered available.

It was known, from the reports of the Red River Expedition, that a series of large lakes existed at the source of this branch, and it appeared probable that the navigable water which they afforded might admit of being utilised as a link in the line of communication; and as their value in this respect depended, in the first place, on their level relative to each other and to the lakes on the opposite side of the water-shed, and, in the next, on the practicability of rendering them accessible from Lake Superior, the first step taken was to determine the levels and the next to look for ground practicable for a road through the broken and mountainous region which lies between them and Thunder Bay.

In describing the result of these operations, I would invite notice to the maps which are hereunto annexed for convenience of reference. These are:

1. A plan on a scale of two miles to one inch, exhibiting the position of the lakes at the summit of the water-shed and the deviation from the Dog Lake road.
2. A map on a scale of ten miles to one inch, shewing the entire route between Thunder Bay and the Red River Settlement.
3. A map on a scale of twelve miles to one inch, shewing the relative position and length of the Canadian and United States routes to the Red River Settlement.
4. A plan, in profile, shewing the relative altitude of the lakes between Lake Superior and Fort Frances on the line of route.
5. A plan, in profile, shewing the routes by Pigeon River and Riviere la Seine.

On reference to plan No. 1, it will be seen that at the head of the Matawin, or West branch of the Kaministiquia, there are two large lakes named, respectively, Shebandowan and Kashaboiwe. These are on the Eastern slope, and immediately opposite to them, on the West side, is the large basin of Lac des Mille Lacs, which sends its waters to Rainy Lake.

The distance between Kashaboiwe Lake and Lac des Mille Lacs is one mile and sixty chains including an intervening lakelet or pond. This pond is distant from Lac des Mille Lacs 50 chains and on a higher level by $14\frac{13}{100}$ feet. Between the two runs a gully, the highest point in which is 25 feet over the level of Lac des Mille Lacs and $10\frac{87}{100}$ feet higher than the pond. This is the lowest pass existing between the waters flowing Westward to Rainy Lake and those running Eastward to Lake Superior. That is, between the boundary line and Nipigon Bay.

The pond just referred to is the source of the Matawin, and it sends its waters by a small rivulet, making a descent of $4\frac{90}{100}$ feet in a distance of 9 chains, to Kashaboiwe Lake, which latter is $9\frac{14}{100}$ feet above the level of Lac des Mille Lacs. The stream by which Kashaboiwe Lake discharges its waters is of considerable volume, and descends $29\frac{33}{100}$ feet in its course of 70 chains to Shebandowan Lake, making the latter $20\frac{10}{100}$ feet below the level of Lac des Mille Lacs.

Forty miles Westward of the pass above referred to, that is, by way of the Baril and Windegoostegon Lakes, the water level at the head of the French Portage is 55 feet below that of Lac des Mille Lacs.

Such differences of level are not very formidable, and might in this case be easily overcome, as will be explained further on. In the meantime, I may remark, that these Lakes differ so little in level as to afford the means of obtaining, at a moderate outlay, seventy miles of unbroken navigation, through the high region which separates the two great river

systems of the Winnipeg and St. Lawrence, and that not by narrow and tortuous channels, but through Lakes affording ample room for navigation.

This navigable section might be extended and rendered continuous to the Westward, by means of lock and dam. Its Eastern extremity would be within forty miles of the Depot at Thunder Bay, with which point it can be connected, by a land road for the present and a Rail Road in the future. The pass, as stated, is the lowest which can exist on the British side, as determined by the explorations, and yet these waters are at an elevation of 839 feet over the level of Lake Superior, or 1479 feet higher than the surface of the sea.

It is a matter of no small importance to have such an extent of navigation in the highest part of the route to Red River, and in a region very difficult for roads.

In regard to the country intervening between these waters and Thunder Bay, it is rough and mountainous; but, with the aid of the Indians, who have their hunting grounds in that region, after a good deal of exploration, a line practicable for a road was discovered.

The different routes examined may be briefly noticed as follows---

On the recommendation of the Indians, a line was first run from the 18th mile of the Dog Lake Road quite through to the Shebandowan Lake. This line crosses the North branch of the Kaministaquia about two miles and a half above the mouth of the Matawin, and from thence winds to the Westward among the high table lands and mountains to the North of the latter stream. The Indians professed to have followed the best ground, and no doubt did so, but the route, although not absolutely impracticable, was found to be very rough.

Another line was then laid out from the eighth mile of the Dog Lake Road to the mouth of the Matawin, and the valley of that river itself adopted from thence to the Shebandowan Lake. It was found to be a great improvement on the first, but the route by the Kaministaquia had been recommended, and before coming to any conclusion it also was examined.

Taking as a starting point, lot 18, in the first concession of Nee-bing, a line was run to Island Point on the Kaministaquia, with the view of continuing it on a North-West course to the valley of the Matawin. It came, however, upon very rugged and mountainous ground on the borders of the Kaministaquia, and had to be abandoned, notwithstanding that no serious difficulty was encountered in the first ten miles of its course.

In view, therefore, of all the circumstances, the line which has been adopted as the best is that already referred to as leaving the Dog Lake line at the eighth mile, striking from thence to the mouth of the Matawin and following the valley of that river to the Shebandowan Lake, or rather to the first chute below it, where it is proposed to construct a dam.

In further reference to the waters of the summit region, Shebandowan Lake on the Eastern side of the water-shed and Lac des Mille Lacs on the West, are both fed by the drainage of areas sufficiently extensive to afford a supply of water for a canal, but Kashaboiwe Lake, which intervenes between them, is on a higher level being $9\frac{14}{100}$ feet over Lac des Mille Lacs and $29\frac{33}{100}$ above Shebandowan Lake and it is doubtful if it could afford a supply for a canal both ways.

It is quite practicable, however, to bring either Lac des Mille Lacs or Shebandowan Lake, or both of them, to the level of Kashaboiwe Lake, but there would be an evident advantage in raising Shebandowan Lake and making it the summit level and source of supply, as a considerable amount of lockage would thereby be saved and the road from Lake Superior would at once strike the highest water level on the whole route. If, on the other hand, Lac des Mille Lacs were raised to the level of Kashaboiwe Lake and made the source of supply, there would be an ascent of 30 feet from Shebandowan Lake, which would have to be overcome by locks. It is possible, as stated, to raise both Shebandowan Lake and Lac des Mille Lacs to the level of Kashaboiwe Lake, and if this were done and a cut made through the dividing ridge, there would be a canal without locks extending across the summit of the water-shed.

The raising of Lac des Mille Lacs, however, would not eventually save lockage, and although the level is in its favor, as compared to Shebandowan Lake, it is doubtful if it could be more economically brought to the necessary height. On some parts of its Western coast the country is low and the height and nature of the dividing ground between its waters and the streams running off from its borders, on that side, would require to be ascertained before attempting to raise it beyond the extent of three or four feet, which, in any case, will be necessary, in order to give a sufficiency of water in the direction of Baril Lake and the French

Portage, and so small a difference would be unattended with any risk of sending the water in other directions.

As regard Shebandowan Lake, the country around it is moderately high, and it receives the drainage of a considerable area on either side, so that, in all probability, its surface could be raised to the necessary level by damming its present outlet only.

It will occur, however, that Kashaboiwe Lake, which is already in the highest level, might be so arranged as to afford a supply of water for a canal both ways. It has a surface area of about eight square miles and it receives the drainage of a considerable tract on both sides, besides which there are lakes on its tributary streams, which could be converted into reservoirs to afford a supply in periods of extreme drought. But, even if the supply were so ample as to preclude all doubt as to its sufficiency, there would be nothing gained by adopting Kashaboiwe Lake, for both Lac des Mille Lacs and Shebandowan can be raised to its level at less outlay than would be involved in connecting the latter with it by means of locks.

A dam which should raise the surface level of Shebandowan Lake to the extent of 30 feet over what it is at present, would be equivalent to 30 feet of lockage and would be far less costly.

In respect to the Summit Pond, it may be regarded, to all practical purposes, as a part of Kashaboiwe Lake, for it can, at small outlay, be reduced to the same level and still have a sufficient depth of water.

The dividing ridge is, as stated, 50 chains in width and 25 feet over Lac des Mille Lacs at its highest part; through the ridge runs a gully which, apparently, is filled with boulders and fragments of rock and it could be easily excavated to a sufficient depth.

Such, in a brief view, is the route by the Matawin or West branch of the Kaministaquia. As compared to the Dog Lake route its principal advantages are, first, that the navigable waters of the summit plateau can be reached in an unbroken line of road from Lake Superior; whereas, by the Dog Lake line the land carriage would be in two sections, one of twenty five miles from Lake Superior to the Dog Lake, and another of ten or twenty miles across the Height of Land.

In the next place, the navigation of the upper waters of Dog River and the Savanne would be tedious on account of the narrowness and tortuosity of the channels, whereas, by the Western route, once the Lakes were attained, there would be ample room for navigation, and, lastly by adopting the Shebandowan line, a saving in distance of about twenty miles will be effected, as will at once appear on reference to the plan.

Both routes are practicable, and the Dog Lake line would be attended with the least outlay in the first instance, but would be more expensive to keep in operation, on account of the difficulties of the navigation, the additional trans-shipment, and the long land carriage, in such an isolated situation as the height of land on that route.

By adopting the West, instead of the North branch of the Kaministaquia, there will be no change in the starting point, and as the divergence occurs beyond the point to which the work on the Dog Lake road has, as yet, reached, the outlay so far made, on that line, will not be lost, and some timber prepared for a dam at Dog Lake can be floated down and used in the construction of a bridge over the Kaministaquia.

Apart from the deviation proposed in the Eastern section, as above set forth, I believe the scheme suggested in my report of last year embodies the principle which should be adopted in opening the communication, as a first step towards works of a more extensive character, in the future. I would remark, however, that the information which has been obtained since that report was written, as to the Traffic likely to arise, would seem to warrant additional expenditure over what was then proposed, so as to diminish the number of transshipments, and this can be done without greatly increasing the outlay. Before proceeding to details, however, I would invite attention, for a moment, to the more striking features of the country which has to be traversed.

THE COUNTRY BETWEEN LAKE SUPERIOR AND THE RED RIVER SETTLEMENT.

Between Lake Superior and Rainy Lake, the face of the country, as a general rule, is rugged and cut up with Lakes. The summit of the water-shed or dividing ridge is quite

near Lake Superior, being forty-five miles distant at Pigeon River, and, measuring in a direct North-East course to the Kaministiquia, about seventy at the bottom of Thunder Bay. The passes in the dividing region vary in height from 840 feet to 1100 feet above the level of Lake Superior—that is by following the water courses, but the general elevation of the country is considerably higher. As may be supposed, the streams running down from such a height, in so short a distance, have a very rapid course, and, as a consequence, could only be rendered navigable at an expenditure which, whatever the future may require, is quite out of the question for the present.

Proceeding from the head of the water-shed to the Westward, the descent is much more gradual, the difference of level between Lac des Mille Lacs, which is close to the summit, and the Western extremity of the Lake of the Woods, being only 450 feet in a distance of 300 miles. Between the height of land and Rainy Lake, the Lakes are so numerous and so large, that it would be difficult to say whether land or water predominates. The Lakes, however, afford the means of making a very good water communication, at a moderate outlay.

From Fort Frances, at the foot of Rainy Lake, to the North-West angle of the Lake of the Woods, the navigation is uninterrupted save by two little rapids, easily overcome. From the Lake of the Woods Westward to Fort Garry, the country is low and level, but although swampy, quite practicable for a road by a line which has been explored and on which a good deal of work has been already done in the Western section.

There is thus, between Lake Superior and the Red River Settlement, a country presenting very different characteristics in different sections. First, a rugged and broken region, extending from Lake Superior to the summit of the water-shed, in which the rivers are not navigable and the ground is difficult for roads.

Next, a country extending Westward from the water-shed, still very rough and broken, but intersected in every direction by deep lakes, which occupy a very considerable portion of its area, and which, on one of the lines explored, can easily be connected so as to render the navigation through it uninterrupted.

This section ends at Fort Frances, where there is a complete and sudden change in the character of the country, and from this point the navigation becomes continuous to the North-West angle of the Lake of the Woods.

From the latter point to Fort Garry the distance is 90 miles over ground which the exploration have proved to be practicable for a road.

The entire distance between Fort William and Fort Garry, by the route which it is proposed to open, is 441 miles, as follows:

From Lake Superior to the navigable waters of the Summit region ...	40 miles.
From the terminus of the Lake Superior Road to the North-West angle of the Lake of the Woods.....	311 miles.
North-West angle to Fort Garry.....	90 miles.

441 miles.

OPENING OF THE COMMUNICATION.

The scheme proposed has, for its ultimate object, a railroad from Lake Superior to the navigable waters of the Summit region, navigation rendered continuous, by means of lock and dam, from the terminus of the same to the North-West angle of the Lake of the Woods, and a railroad from the latter point to the Red River Settlement.

The railroad at Lake Superior would be forty miles in length, succeeding which would be navigation of three hundred and eleven miles, which latter would be connected by a railroad of ninety miles with Fort Garry.

These are works which, to carry them out completely, would occupy some years, and in the meantime, as a preliminary step, it is proposed to make a good wagon road from Lake Superior to the waters of the dividing plateau, improve the navigation from thence Westward in as far as it can be rapidly done, in the first instance, and make a good wagon road from the Lake of the Woods to Fort Garry. This I conceive to be an absolutely necessary and

essential step towards making the country accessible, whatever scale of improvement may be adopted in the future, and it would have the immediate effect of opening a channel by which immigration could reach the country, while it would, at the same time, draw the trade of the North-West Territories to Canada.

Before specifying in detail the various works necessary to give effect to this plan, I may notice the scheme of

A CONTINUOUS RAILROAD FROM LAKE SUPERIOR TO THE RED RIVER SETTLEMENT.

Such a work will, doubtless, become necessary as the regions of the North-West fill up with settlement, and it should be placed in such a position as to be available as a link in the railway system which will, no doubt, at some future day span the continent from the Atlantic to the Pacific, within British territory.

On reference to the map it will be seen that a railroad, to be continuous, must pass to the North of the Lake of the Woods, and it will also be observed that a line from Canada, after passing over the high plateau which is said to exist to the North of Lakes Huron and Superior, would first come upon Lake Superior at Nipigon Bay, and that its direct course from thence to Fort Garry would be by Lac Seul and the North end of the Lake of the Woods. These are facts which should always be kept in view in considering the project of a continuous railroad from Lake Superior to the Red River Settlement.

A railroad made on the line indicated would be the most direct possible, and it would, at some future period, serve as a link in the extension of Canadian Railways to the prairies of the Saskatchewan.

Now, a railway starting from any point West of Nipigon Bay would not meet these conditions; and all that is claimed for the comparatively short line of 40 miles which I have recommended at Fort William, is that it will serve as a connecting link between Lake Superior and the navigable waters of the interior.

In regard to the practicability of a line of railroad between Nipigon Bay and the North end of the Lake of the Woods, no decided opinion can be offered until the country is explored. It is probable that, by keeping up the Valley of the Nipigon for some distance, so as to get clear of the rugged country on the immediate borders of Lake Superior, and then striking North-West to the vicinity of Lac Seul, a practicable line might be found. From Lac Seul to the North end of the Lake of the Woods, I apprehend there would be little difficulty if, as is reported, the flat silurian strata of Hudson's Bay send a spur in that direction. It might, however, be better to keep down the valley of the English River to its junction with the Winnipeg and strike direct from thence to the Red River.

In view of the importance which must soon attach to the project of a continuous railroad from Lake Superior to the Red River Settlement, I would suggest the expediency of sending an exploring party to examine the route above indicated, during the ensuing summer.

It would, also, be advisable to have a thorough examination made of the country to the North of Lakes Huron and Superior. A line was at one time run conforming to the line of coast, about twenty miles back, from Lake Superior, but the country over which it passed, as shewn by the very interesting report written by Mr. Herrick, who conducted the survey, is rough and broken. The line was entirely too near the coast, and I am of opinion that the best ground will be found in the high region where the waters running to Hudson's Bay and the tributaries of the St. Lawrence have their common source.

Mr. A. J. Russell, of Ottawa, in a work which will soon make its appearance, gives an epitome of all the information which has been obtained of the high plateau at the sources of the streams flowing to Lake Huron, but the country North of Lake Superior and East of Lake Nipigon is unknown, except from the report of *voyageurs*, beyond the extent of Mr. Herrick's survey, which, as stated, was confined to a limit of about twenty miles from the coast.

ROUTE TO THE PACIFIC.

It must, in course of time, become a matter of great importance to open a line of communication completely across the continent within British territory, but whether this should be effected solely by railroads, or partly by rail and partly by taking advantage of the navigable water which is so plentifully distributed at least to the East of the Rocky Mountains, is a question for the future.

By Railroads.

The country is well adapted for railroads between the Red River Settlement and the sources of the Saskatchewan and Athabasca Rivers. Practicable passes have been found, too, in the Rocky Mountains, and in these the ascent is generally easy from the East. It is only when the summit has been crossed that serious difficulties present themselves. Between the Fraser River and the forty-ninth parallel, British Columbia is one sea of mountains, but through these the persevering efforts of explorers have led to the discovery of lines said to be practicable for railroads. In regard to the passes in the Rocky Mountains, Captain Palliser, who was sent out by the Imperial Government, speaks favorably of the British Kootanie Pass, near the boundary line, where explorers from Montana are now said to be mining for silver and gold. Dr. Hector, a gentleman whose researches are of great practical value, was favorably impressed with the Kicking Horse Pass, somewhat further to the North, but probably the best of all would be the Athabasca Pass, which has been the longest used and is the best known. Mr. Waddington gives the latitude of this as $52^{\circ} 54'$ North, and its height as 3,760 feet above the sea level, and describes several routes by which it may be reached from the Pacific.* He says, also, that the upper Fraser is navigable for 280 miles of its course.

The same authority maintains that by adopting the Athabasca and *Tete Jaune* pass, or, as it is sometimes called, the Leather Head Pass, a railroad from Edmonton House, on the Saskatchewan, to Bute Inlet on the Pacific, would only be 654 miles in length.

Until the country becomes better known, all that can be done is to indicate the probable position of an inter-oceanic railroad, and, if one should ever be built, as it doubtless will, in British territory, the following will likely be its course.

The valley of the Ottawa and its tributary the Montreal River, might be followed to the meridian of 82° West longitude, from thence the direction would be North-West to the outlet of Lake Nipigon, where it would join the line above suggested, for a railroad from Lake Superior to the Red River Settlement, passing by Lac Seul and the North end of the Lake of the Woods. From the Red River Settlement the ground would be very favorable to Edmonton House on the Saskatchewan, and from thence the route indicated by Mr. Waddington might be followed to the Pacific.

By this route the distance from Montreal to the Pacific, as computed by Mr. Russell would be as follows:

Montreal to Fort Garry.....	1367
Fort Garry to Edmonton House, over the prairies.....	825
Edmonton House to Bute Inlet.....	654
Total.....	2846

If this line, the practicability of which has yet to be ascertained, were carried out, it might be tapped by an extension of the projected Toronto and Nipissing railroad, and it would thus be in connection with the Railway system of the Dominion at its most important points.

There is no doubt a great deal that is grand and imposing in the idea of a railroad which should span the continent from the Atlantic to the Pacific, and grasp in its embrace the United Colonies of British America—which should become an avenue for the trade of the Indies, China and Japan, and a highway for the nations of the world.

But, in considering schemes so vast, it is well, at the same time, to calculate their cost, and in drawing attention to this unavoidable phase of such projects, I cannot do better than avail

*The elevation of the best known passes at the sources of the Saskatchewan is as follows:—

British Kootanie Pass, 5960 feet; Kananaski Pass, 4600 feet; Vermillion Pass, 4944 feet; Kicking Horse Pass, 5420 feet; and Howse Pass, 6347 feet above the level of the sea.

myself of a calculation made by Mr. Fleming, the eminent engincer, under whose able direction the Intercolonial Railroad is now being built.

In a very interesting pamphlet, written by him some years ago on the North-West Territories and the best means of their development, speaking of a railway of 2000 miles in length and its accompanying telegraph line, he remarks :

“That a just conception may be formed of the real magnitude of the project under discussion and the means necessary to its attainment, attention may for a moment be drawn to a few leading details. The construction of 2000 miles of railway, measured by the average standard of similiar works existing in this country, implies the performance of laborers’ work sufficient to give employment to 10,000 men for five or six years. In involves the delivery of 5,000,000 cross ties or sleepers, and over 200,000 tons of iron rail for permanent way. It comprises the erection of 60,000 poles hung with 1000 tons of wire for the telegraph. It necessitates the creation of motive power equivalent to ever 50,000 horses, which power would be concentrated in 400 locomotives. It involves the production of from 5000 to 6000 cars of all kinds, which, coupled with the locomotives, would make a single train over 30 miles in length. And lastly, it implies gross expenditure on construction and equipment of not less than \$100,000,000.

“It will likewise serve as a salutary check on hasty conclusions to weigh, beforehand, the cost of operating a truly gigantic establishment of the kind after its perfect completion ; a few figures derived from actual results will shew that the first construction of a railway through British North America is even a less formidable undertaking than that of keeping it afterwards open in the present condition of the country. For operating the line successfully, the fuel alone required in each year and estimated as wood, would considerably exceed 200,000 cords. For keeping the road in repair, a regiment of 2000 trackmen would constantly be employed in small gangs throughout its entire length ; for the same purpose there would, on an average, be annually required 600,000 new cross ties, as well as nearly 30,000 tons of new or re-enrolled iron rails. The annual repairs of rolling stock would not cost less than one million dollars. Over 5000 employees of all kinds would constantly be under pay, and as these men would usually represent each a family, there would not be far short of 20,000 souls subsisting by the operation of the road. The aggregate amount of wages in each year, after the road was in operation, would swell out to nearly \$2,000,000, while the gross expenditure for operating and maintaining works would annually exceed \$3,000,000. Again, if to the last sum be added the interest on first cost, it becomes evident that until the gross earnings of the railway in each year come up to the enormous sum of \$14,000,000 it could not pay interest on the capital invested.”

Railway and Water Communication Combined.

Thunder Bay, Lake Superior, is already accessible to any class of vessels which can navigate the great lakes. From thence westward to Red River, the route is, as already described, forty miles of land road, succeeded by three hundred and eleven miles of navigation now broken, but susceptible of being rendered continuous, and which, again, is followed by ninety miles of land road, ending at Fort Garry.

Commencing at Fort Garry, the navigation might be rendered continuous, at small outlay, by way of Lake Winnipeg and the Saskatchewan to Edmonton House, a distance of 1060 miles. Edmonton House is within 500 miles of the Pacific Ocean, and the distance might be surmounted, according to the best information which can be obtained, by a railroad of 654 miles, or by taking advantage of the navigable waters of the upper Fraser and following a more tortuous route, the distance would be 841 miles, of which 309 would be by water and 532 by rail. So small an amount of navigation would not compensate for such an increase in instance, and in this instance the continuous railway would be the best.

By this route the total distance from Thunder Bay to the Pacific would be as follows :

	MILES.	
	LAND.	WATER.
Thunder Bay to the inland water at Shebandowan Lake.....	40	
From terminus Lake Superior road to North-West angle Lake of the Woods.....		311
North-West angle to Fort Garry.....	90	
Fort Garry to Edmonton House.....		1060
Edmonton House to Gulf of Georgia.....	654	
	784	1371
		784
		2155

It is quite practicable to make the navigation continuous from a point within 40 miles of Lake Superior to Lake Winnipeg; and, if this were done and the few impediments in the Saskatchewan removed, there would be continuous navigation from the base of the Rocky Mountains to the ocean, with one break of only 40 miles at Lake Superior, and this break might in time be overcome by lockage.

So great an extent of navigable water, or water susceptible of being made navigable, running through British America, traversing the vast prairies of the West and ending at the seaports of the Atlantic, is a feature in connection with the Western Territories the importance of which it would be difficult to overrate.

It is well known that railroads cannot compete with water in the transport of bulky and heavy freight, and if ever a line of communication should be established across the continent in British Territory, and, providing it combined with the necessary amount of railway, all the navigable water which could be rendered available, I believe that no other trans-continental line which can be put in operation, north of the Gulf of Mexico, would be in a position to compete with it.

Everything in this regard, however, must be the merest conjecture until the country is opened up and becomes better known. The first grand step is to open the communication between Lake Superior and the Red River Settlement in the manner in which it can be most rapidly done, to be at the same time effective; and if the barrier is thus broken through, even in a moderate way at first, many additional influences will be brought into play and improvement urged on until a first class line of communication has been obtained. Before concluding this subject, I may state what is known of the Saskatchewan in regard to its capacity for navigation.

The Saskatchewan

is not a river of such great volume as might be supposed from the immense area which it drains. It gathers its waters from a country larger than Canada, and yet it is not equal in size to the St. Lawrence. The precipitation is less in the prairies of the West than in Canada—less snow in winter and less rain in summer, but yet enough of both to make the Saskatchewan a very large river.

There is a fine harbour on Lake Winnipeg, just at the mouth of the Saskatchewan. Ascending from thence for a mile or so, the first and greatest impediment presents itself. This is called the "Grand Rapid," and here the river makes a descent of about 43 feet, rushing with great impetuosity over flat ledges of limestone rock. Between the Grand Rapid and Lac Bourbon there are several little rapids, having an aggregate fall of about 20 feet.

Lac Bourbon is distant from Lake Winnipeg about twenty miles, and from thence westward to the Rocky Mountains, or at least to a distance of eighty miles beyond Edmonton House, the navigation is reported to be uninterrupted except at two points, where there are impediments, it is said, easily overcome.

The first is at a rapid called Tobern's Falls, about 140 miles above Lac Bourbon, where, from all that can be learned, a lock of moderate lift might be required. The next is at Coles Rapids, on the North Branch, just above its junction with the South Branch. Here a series of swift runs and little rapids, extending over a distance of eighteen miles, would require in some places to be cleared of boulders, and probably a few glance dams might be necessary.

These impediments cannot be considered serious in a navigation of eight hundred miles, otherwise uninterrupted.

ESTIMATE OF THE COST OF PRELIMINARY LINE OF COMMUNICATION

In estimating the cost of work in a distant region, where labour is not to be obtained regard must be had to the expense of taking men to and from the ground, and the time lost on the way, for which there is no return in labour.

In the Lake Superior Section, it would be a safe estimate to allow about twenty days for the journeys to and from the localities in Canada where labour is cheapest and workmen of the class required can be engaged. For passage, going and coming on the way, each man would cost, at an average, \$40, which, allowing that 250 men were employed during summer would reach the serious item of Ten Thousand Dollars.

In the Lake Region, west of the height of land, a still larger allowance would have to be made.

I draw attention to these circumstances, inasmuch as my estimates for roads, more especially, may appear to be high; whereas, when the expenses above referred to, as well as the cost of transport for supplies are taken into account, they will be found to be as low as it would be safe to make them. Moreover, the experience of the section of road already partially made, although it passes over comparatively easy ground, affords a criterion as to what the cost will be in more difficult sections, and with this in view the estimate has been framed.

Roads Lake Superior Section.

The main road which it is proposed to open through this section, as shewn on the accompanying plan, No. 1, has its starting point at the depot on Thunder Bay, from whence it strikes in a tolerably direct course to the mouth of the Matawin, following from thence the valley of that river to the first chute below Shebandowan Lake, where it is proposed to construct a dam. The extent of road remaining to be open is 36 miles, and a specification marked No. 1, shewing the manner in which it is to be constructed, is hereunto annexed. Its probable average cost is set down in the accompanying estimate at \$1800 per mile. Some further expenditure will be required, too, on the section of road already partially made, more especially at a hill near Thunder Bay, where a detour has to be made, and for this purpose I have set down \$2,000.

In my report of last year, for reasons therein stated, it was proposed to run a branch line of road from Fort William, to connect that very important point with the main road, and for this purpose a sum of \$7,000 was included in the estimate then submitted. During the past summer this branch line was very carefully surveyed. The country through which it runs is somewhat low and swampy, and two small rivers have to be bridged, but a very good line, made in conformity with Specification No. 2, can be obtained at an outlay, as above stated, of \$7,000. The length of this line would be 7 miles.

Pier at Thunder Bay.

In last year's report, it was proposed to sink an isolated pier in front of the depot at Thunder Bay, at which vessels could discharge their loads. It would be placed in a depth of 16 feet of water. Its dimensions would be 150 feet in length by 20 feet in breadth at top, and its cost \$2,500.00. This work may be said to be indispensable, for at present there is great difficulty, not to speak of expense, in getting articles landed at that place.

Bridge over the Kaministaquia.

This would be a rough but substantial structure, supported by piers of crib work, filled solidly with stone, of which there is great abundance in close proximity. The stream is 300 feet in width, shallow, and running on a bottom paved with boulders. Wood is scarce in the vicinity, the country having been swept by fire, but the timber got out for a dam at Dog Lake can be taken down and used in the work. Its cost would be about \$4,500.00.

In the Lake Superior Section the total proposed outlay would thus stand as follows:

36 miles main road.....	\$1,800 00	\$64,800 00
7 miles Port William Branch Road.....	1,000 00	7,000 00
Grading Hills, Lake Superior, and completing road partially made.....		2,000 00
Pier at Thunder Bay.....		2,500 00
Bridge over Kaministaquia.....		4,500 00
		<hr/>
		\$80,000 00

A specification for the road and estimate of material are hereunto annexed.

Lake Region.

In former reports the designation "Lake Region" was applied to the section between the summit of the water-shed and Fort Frances, but Shebandowan and Kashaboiwe Lakes,

immediately to the east of the water-shed, as they are on the line now proposed to be followed, may properly come under the same head.

In the estimate submitted last year will be found a statement of the sums required for each work then proposed as follows:—

Dam at French Portage.....	\$ 1,600 00
Dam across Sturgeon River at Island Portage.....	18,000 00
Dams at Nequaquon.....	4,000 00
Dam at Two Falls Portage on River Seine.....	20,000 00
6½ miles road and Tramway, on portages between Lac des Mille Lacs and Rainy Lake.....	10,400 00
	<hr/>
	\$54,000 00

Since the estimate on which the above is founded was made, the circumstances have so far altered, that companies are already being organised for the purpose of providing the means of transport, and have it in contemplation to place steamers on such of the navigable reaches as may be of sufficient extent to render their employment profitable. It will, therefore, be a matter of importance, even at the outset, of opening the communication to lengthen the navigable reaches where practicable, and lessen the number of transshipments, and with this end in view it will be advisable to extend the works in certain sections.

Shebandowan Lake.

At the first chute on the Matawin, two miles and a half from Shebandowan Lake, and 16 feet under its level, there is a favourable situation for a dam, and one of small dimensions would extend the navigation of the Lake to that point, and save the cost of three miles of roadway, which would otherwise have to be made over very rough and broken ground. It is, however, proposed to raise the level of Shebandowan Lake to the extent of 30 feet, so as to give uninterrupted navigation to the height of land, and it would be better, at once to put up a dam of dimensions sufficient to produce this result. Before a precise estimate of the cost can be given it will be necessary to examine the ground about the Lake in order to ascertain whether on raising its surface level the water might not find outlets besides the present one. The country is so high that I believe it would not, and if this should prove to be the case \$12,000 would provide for the dam. Material for the work is in unlimited abundance. Timber can be cut on the shore of the Lake, and floated off without any expense in hauling, and stone can be easily obtained either in the bed of the river, or by blasting from the high rock on the banks.

The Summit Pond.

This little lake has to be reduced in level to the extent of five feet, and the channel between it and Kashaboiwe Lake deepened so as to admit of vessels passing from one to the other. The rivulet which connects the two is 600 feet in length, and the fall in that distance 4.99 feet. The bed of the stream is of loose stone, earth and decaying timber, without any apparent solid rock. To form a channel for such vessels as would be used, in the first instance, say 30 feet in width, the excavation would amount to 5,000 cubic yards and the cost, always supposing no solid rock to be met with, about \$3,000.00.

The Dividing Ridge.

This ridge is 50 chains in width, and the gully, already referred to as running through it, affords an easy means of making a cut so as to connect the waters of the western with those of the eastern side. Eventually, when the communication comes to be opened on a large scale, a lock of 7 feet lift will be required. At present it is proposed to place in the gully a wooden tramway at a cost of about \$2,500 00.

Lac des Mille Lacs to French Portage.

In this section last year it was proposed to raise the water of Lac des Mille Lacs, by means of a dam at the Two Falls Portage, and to deepen the water in the Windegoostegon

Lakes by means of a dam at French Portage. It is, however, a matter of such paramount importance to avoid transshipments, in the conveyance of freight that I believe it will be better to incur a little additional expenditure, and do away at once with the Baril and Brulé Portages. This can be effected by a dam at the outlet of Lac des Mille Lacs, which will raise the level of that lake to the extent of say 4 feet, a cut between Lac des Mille Lacs and Baril Lake and a dam, of 55 feet in height, at French Portage.

It was proposed (see report of last year) to raise the level of Lac des Mille Lacs by a dam at the Two Falls—sometimes called the Little Falls—Portage, a point on the Seine, about ten miles below its outlet, where there is an excellent natural position for a work of the kind. The situation at the immediate outlet is not very favorable; nevertheless, as explained in my report of last year, I believe a dam could be constructed there to raise the water to the extent contemplated (only four feet over its present level), at less cost than at the Two Falls; and this would leave a portion of the estimate for that work to be applied to making the navigation continuous to French Portage, where it is now proposed to construct a dam, of height sufficient, to raise the water to the level of Baril Lake. In regard to the excavation necessary between Lac des Mille Lacs and Baril Lake, only an approximate estimate can be made, as the ground has not been measured with sufficient minuteness to admit of a statement in detail; but for this section, and having in view the doing away with no less than two transshipments, I would propose increasing the estimate of last year, which was \$21,600, by \$9,400, making the total \$30,000.

Other Works, Lake Region.

For the other works required in the Lake Region, I would respectfully refer to my report of last year. They may be briefly stated as follows:

At the French and Dieux Rivières Portages, it is proposed to make good wagon roads or place tramways. They are each about two miles in length, and, intervening between them is Kaogassikok Lake, 15 miles in length.

Succeeding Dieux Rivières is the Sturgeon Lake Section, which can be rendered navigable, in one unbroken reach of 27 miles, by means of a dam at Island Portage. This dam, measured by the immediate effect it would produce, is the most important work in the whole region of the lakes.

Following Island Portage is a navigable reach of 17 miles, through Nequaquon Lake, ending at Nequaquon Portage, which leads to Nameukan Lake. This Portage is two miles in length, and until locks can be constructed to connect the navigation of the two lakes, it must be used and a tramway placed upon it.

Besides the Portage, there are two other ways of reaching Nameukan Lake. One by the high water channel, which passes off on the South side, and the other by the main channel, known as the *Rivière Maligne*, breaking off about the middle of the lake, on the North side. In these two channels there is an admirable natural arrangement for commanding the water, when locks come to be constructed in either one or the other.

From the Nequaquon Portage to Fort Frances the distance is 56 miles, and the navigation uninterrupted except by a fall of 8.55 feet, at the head of Rainy Lake, and at this point a lock should be made as soon as possible.

At Fort Frances there is another carrying place, but it is the last and its length only ten chains.

Lake of the Woods Division.

In regard to this section, I would also refer to my report of last year. The navigation is uninterrupted except by two little rapids, easily stemmed by a steamer of moderate power between Fort Frances and the North-west angle of the Lake of the Woods, a distance of 120 miles.

Lockage to the extent of only 35 feet lift, would add to this section the navigable waters of Rainy and Nameukan Lakes, giving 56 miles additional; but, to carry the scheme out a little farther, lockage amounting in all to 151 feet lift, would render the navigation uninterrupted between Dieux Rivières Portage and the North-west angle, a distance of 222 miles. This would be half the entire distance between Lake Superior and the Red River Settlement.

Mr. Russell in his work, from which I have already quoted, suggests the expediency of perfecting the navigation at once to the head of Sturgeon Lake (Dieux Rivières Portage), and connecting it by a railroad of 122 miles with Lake Superior. He did not, however, know at that time that the navigation could be so easily rendered continuous, as determined by the exploration of last summer, to within 40 miles of Lake Superior; and the difference in cost of a railroad of 40 miles and one of 122 miles would be several times greater than that of the lockage, necessary to overcome the difference in distance.

If the navigation were rendered continuous between the Dieux Rivières Portage (head of Sturgeon Lake) and the North-west angle of the Lake of the Woods, and a look made at the Summit Pass, the following would be the distances by land and water respectively :

	MILES.	
	Land.	Water.
Thunder Bay to navigable water of Summit Section.....	40	
Terminus of Road to the French Portage.....		70
French Portage.....	2	
Kaogassikok Lake		15
Dieux Rivières Portage	2	
Dieux Rivières Portage to North-west angle of Lake of Woods		222
North-west angle to Fort Garry.....	90	
	134	307
		134
Total.....		441

There would thus be two trans-shipments only, between the terminus of the Thunder Bay Road and the North-west angle of the Lake of the Woods, in a distance of 311 miles, and between these two there would be an interval of 15 miles of navigable water, afforded by the Kaogassikok Lake.

Improvement to this extent might very rapidly be carried out, and there would then remain the French and the Dieux Rivières Portages, where the works would be extensive, requiring a little further time to carry them to completion.

The total amount of lockage—as will be explained further on, required to render the whole distance between the North-west angle of the Lake of the Woods and the Thunder Bay road navigable, without a break, amounts only to about 430 feet in a distance of 311 miles, or about 1.35 feet to the mile, whereas the Rideau has 457 feet of lockage, in a distance of 126 miles, equal to about 3.63 feet per mile, so that, as compared to the distance, the section under consideration requires but a little over one third part of the lockage of the Rideau canal.

Fort Garry Section.

This embraces the country between the North-west angle of the Lake of the Woods and Fort Garry. Much fruitless exploration had been made in this section, both by the Red River Settlers and parties sent out by the government, without finding a line practicable for a road through the swamps, which cover a great portion of its area. Towards the close of the explorations, a rapid reconnoissance made by the Red River Expedition party resulted in establishing a line, on which the country could be crossed and on this line, during the past winter, a good deal of work has been performed as reported on by Mr. Snow. The sum set down in the estimate of last year should be ample for a road, as regards the wooded section, but it is likely that to make a good road on the prairie an increase would be necessary, when it comes to be greatly travelled. All that can be done for a prairie road, without going to very great expense, is to drain it thoroughly and fascine it in the wet parts. Specification No. 1, hereunto annexed, should be adhered to as closely as possible in making the road through the wooded section.

The sum up the amount required for the preliminary works, now proposed, would be as follows :

Lake Superior Section.

Thirty-six miles main road, at \$1,800 per mile.....	\$64,800 00
Seven miles, Fort William, at \$1000 per mile.....	7,000 00
Grading hill, Lake Superior.....	2,000 00
Pier at Thunder Bay.....	2,500 00
Bridge over Kaministiquia.....	4,500 00
	<hr/>
	\$80,800 00

Lake Region.

Dam at first chute below Shebandowan Lake.....	12,000 00
Excavation at Summit Pond, to reduce it to level of Kashaboiwe Lake; and for channel for ves- sels.....	3,000 00
Dividing Ridge tramway.....	2,500 00
Lac des Mille Lacs works, and thence to French Por- tage.....	30,000 00
Dam at Island Portage, per estimate of last year....	18,000 00
Dams at Nequaquon.....	4,000 00
Six and a-half miles road and tramway over portages between Lac des Mille Lacs and Rainy Lake.	10,400 00
	<hr/>
	79,900 00

Fort Garry Section.

Twenty-five miles Eastern portion, at \$1,600 per mile.....	40,000 00
Thirty-five miles Middle section, at \$1,000 per mile.....	35,000 00
Thirty miles Western section, over low prairie at \$400 per mile.....	12,000 00
	<hr/>
	87,000 00
	<hr/>
	\$247,700 00

The sum required for the preliminary communication, which it is proposed to open, would thus stand at \$247,200.00, or say, in round numbers, \$250,000.00.

This may, at first sight, appear to be a small sum with which to undertake the opening of the territories of the North-West, amounting as it does to little more than the cost of eight or ten miles of railway.

These preliminary works will, nevertheless, be of a permanent and substantial character, and will form a step in the general plan. Improvement in new regions should be progressive, and in the present case, works of great extent can not be advantageously undertaken, until the country shall have been so far opened as to admit of the introduction of material and supplies for large parties of workmen.

The region between Lake Superior and the Red River Settlement is as yet but a wilderness, utterly uninhabited except by the red men of the forest. It produces nothing to sustain human life, except game, fish, berries and wild rice; and the birchen skiff of the natives, stitched with fibres of roots, affords the only means of locomotion.

In the heart of this wide region, is a tract of navigable water, which will greatly facilitate operations, but it is cut off from Lake Superior on one side by a formidable barrier of mountain and rock, and from the Red River Settlement, on the other, by a region of quagmire and swamp.

The first step taken, must be to render these waters accessible from either end, and, when this is accomplished, the communication will be in a measure open, and any number of workmen can be employed to carry further works to completion, with all the speed which the means of the country may render advisable.

PROBABLE ULTIMATE COST, COMBINED RAILROADS AND CANALS
BETWEEN LAKE SUPERIOR AND FORT GARRY.

During the progress of the preliminary works, set forth in the foregoing, measurements can be taken on which to base detailed estimates, both for the railroads at either end of the route, and the locks necessary to connect the intermediate navigable sections. Until this is done, any estimate founded on the general measurements already made, must be taken with considerable latitude, and the safest criterion to go by, making due allowance for the difference in circumstances, will be the known cost of similar works now in operation in North America.

In respect to railroads, it is easy in this way to arrive at an approximate estimate; but, as regards a canal, much will depend upon the scale of navigation to be provided for. Locks of very limited dimensions would be equal to one line of railroad; and a canal of the size of the Rideau, for example, would be equal in its capacity for the conveyance of freight to many railroads.

In the present undeveloped state of the North West Territories, it would perhaps be better to commence on a moderate scale, adopting wooden locks, for which substantial structures of stone might be gradually substituted. Mr. Stevenson, in his very valuable work on American Canals, says:

“One of the most important advantages of constructing the locks of canals, in new countries, such as America, of wood, unquestionably is that in proportion as improvement advances and greater dimensions or other changes are required, they can be introduced at little cost, and without the mortification of destroying expensive and substantial works of masonry. Some of the works on the great Erie Canal are formed of stone, but had they all been of wood it would in all probability, have been converted into a Ship Canal, long ago.”

He says further, that

“At the time when canals were introduced into America, the trade of the country was small and did not warrant the expenditure of large sums of money in their construction, the chief object being to form a communication with as little loss of time or outlay of capital as might be consistent with a due regard to the stability and safety of the work.”

These remarks are quite applicable to the present condition of the North-West Territories.

Canal.

The navigation, which it is proposed to open would be of that description, which is called in the United States “Slack Water Navigation.” There would be but very little canal, properly so called, for the cutting would not amount to a mile in the entire distance of 311 miles.

The accompanying map, on a scale of two miles to one inch, and the plan in profile, shew the position and relative altitude of the lakes on the line of route.

Shebandowan Lake, for reasons already explained, would be adopted as the summit level, and it is, of itself, fed by the drainage of an area sufficiently extensive to ensure an ample supply of water. Between it and Lac des Mille Lacs, however, there would only be a lock of seven feet lift, and the latter lake receives the waters of an area of no less than seven hundred square miles, so that from thence westward, with Shebandowan Lake, Lac des Mille Lacs and the areas which pour their drainage into them, combined, there would be water at command, at the very source of supply, more than sufficient for a canal of any dimensions, and any traffic that can arise.

By means of dams and sluices at Lac des Mille Lacs, the supply of water could very easily be regulated along the route proposed to be followed as far as Sturgeon Lake, which receives a large river from the South. Throughout the entire distance from Lac des Mille Lacs to Rainy Lake, the river channels are everywhere of rock, and the water tumbles step by step from the higher levels to the lower, so that the natural facilities for producing slack water navigation—or rather for connecting the slack water sections which already exist—are all that could be desired, and the question in the first instance to be decided would be whether the locks should be of stone or wood?

In either case material is abundant. The hard Laurentian gneiss of the country, although somewhat difficult to work, would answer well for the rougher portions of the stone structures, and limestone, which could be made available for the portions requiring to be

highly dressed, is abundant on Rainy River and at the Lake of the Woods. Timber, such as Red Pine, White Pine and Tamarac, is in unlimited quantity all along the route, and Elm and species of Oak, can be had on Rainy River.

Wooden Locks, in the first instance, would cost greatly less than stone structures, however small the dimensions of the latter might be, and even by adopting wood for the locks, the greater part of the work in forming a canal would be of a permanent character, and necessary for stone locks afterwards, as, for example, the dams and the excavation.

As regards dimensions, the locks, to accommodate the largest class of vessels adapted to the navigation, should be about 130 feet in length by, say, 30 in breadth, with five feet of water on the sills. In the Lake Region, vessels of a large class might be employed, but Rainy River is not adapted to a greater draught than five feet.

The locks on the Rideau Canal are thirty-three feet in width by one hundred and thirty-three feet in length, with five feet of water on the sills. The Rideau has been a very expensive work on account of the excavation which, in length of cutting, exceeds sixteen miles, and the enormous stone dams at Jones' Falls, Hartwell's, Long Island, &c. Apart from these, and the land claims, which also added considerably to the expenditure, the cost per foot lift of the lockage has been about \$4,300. The magnificent locks at the entrance to the Canal at Ottawa, eight in number, and overcoming a fall of eighty-two feet, cost \$4,296 per foot lift.

Work of such a costly description would, of course, be unnecessary on inland navigation, which, in the first instance, would only be used to the extent of the capacity of the railroads at either end.

I find in looking over the statistics of some of the cheaper canals in the United States, the following approximate cost per foot lift of lockage, including dams and all expenses connected with the original construction :

New Hampshire and Merrimac.....	\$1173
Delaware and Hudson.....	1827
Morris Canal (New Jersey).....	1930
Cincinnati and Dayton.....	2485
Philadelphia and Reading.....	4098

On the Morris Canal the rise and fall amounts to 1557 feet, of which 223 feet are overcome by locks, and 1334 feet by inclined planes, over which vessels are moved from one level to another by means of machinery driven by water wheels.

The Erie Canal, the work on which consists in great part of excavation and embankment, affords no criterion by which to judge of the cost of lockage on such a route as that under consideration.

I have adduced the above instances to show what the cost of some of the best known canals of moderate dimensions has been. Ship canals would, of course, be vastly more expensive, and need not be considered in connection with an inland navigation west of Lake Superior.

Locks of the dimensions I have suggested, would accommodate vessels of a class sufficiently capacious to meet the wants of the country for a long period, and they would be more than equal to the capacity of a single rail road for the conveyance of freight.

From the east end of Shewandowan Lake to the north-west angle of the Lake of the Woods, the distance is 311 miles, and the total fall about 450 feet, of which 430 feet has to be provided for by lockage, the balance being accounted for in the current of Rainy River and other parts.

Supposing the locks to be of wood, I make *very ample* allowance in setting the cost at \$2,500.00 per foot lift, which should cover the excavation necessary for the lock beds, crib work approaches, dams, &c.

This would give the entire cost of the lockage at.....	\$1,290,000
The excavation, other than that included in the above, will not exceed 120,000 cubic yards, and reckoning the whole of this as rock, at \$1.75 per cubic yard, we have.....	210,000

Making the total cost..... \$1,500,000

Or reckoning by distance, about \$4,823.15 per mile, equal to about one sixth part of the average cost of the cheapest railways.*

Railroads.

Of these there will be two, one of about 40 miles between Lake Superior and Shebandowan Lake, and one of 90 miles between the north-west angle of the Lake of the Woods and Fort Garry. The former will be over very rough ground, with difficult grades, and its least average cost may be set at that of the general cost of railroads in this country, say \$40,000 per mile, making its entire probable cost \$1,600,000.00. In regard to the line between the Lake of the Woods and Fort Garry, it will pass over very level ground, and its cost may be safely set at \$30,000.00 per mile, equal to \$2,700,000.00 for the entire distance of ninety miles. The two Railways at either end of the navigation would thus involve an outlay of \$4,300,000.00.

Total Cost.

40 miles Railroad, Lake Superior to navigable waters of interior....	\$1,600,000.00
311 miles of continuous navigation, improved by locks and dams...	1,500,000.00
90 miles Railroad, North-West angle Lake of the Woods to Fort Garry.....	2,700,000.00
Total	\$5,800,900.00

Cost of Transport.

Supposing a scheme of railroad and canal, as above indicated, to be carried out between Lake Superior and the Red River Settlement, the transport of heavy freight, according to McAlpine's scale, which is generally adopted, would be nearly as follows, from Toronto to Fort Garry :

94 miles railroad, Toronto to Collingwood, at 12½ mills a ton per mile	\$1.18
534 miles by lakes, from Collingwood to Fort William, at 2 mills per ton a mile.....	1.07
40 miles by rail, from Fort William to navigable waters of interior section, at 17 mills per ton a mile.....	0.68
311 miles lake and river navigation, from terminus of Lake Superior Railroad to North-west angle Lake of the Woods, at 4 mills per ton a mile.....	1.25
90 miles rail, North-west angle to Fort Garry, at 15 mills per ton a mile.....	1.35
1069 miles. Total cost.....	\$5.35

The distance from Toronto to Fort Garry, by way of Detroit, Chicago and St. Paul, is 1572 miles, and supposing the railway communication to be complete, the cost per ton, reckoned at 12½ mills per mile, would be \$19.65. Nothing could show more clearly the vast superiority of the Canadian line in point of natural advantages.

RESERVES OF LAND.

Wherever Public Works are likely to be required it will be necessary to reserve a certain quantity of land, not very extensive, but enough to cover the works and the approaches thereto, as for example, at all localities where locks or dams have to be constructed.

It would be well, also, to reserve an ample area at every point where villages or cities were likely to arise, so as to prevent the land from falling into the hands of individuals, who are always ready to purchase in such situations for purposes of speculation.

* The above is given merely to convey a general idea of the probable ultimate cost of rendering the navigation continuous between Shebandowan Lake and the North-west angle of the Lake of the Woods. The measurements to be taken during the present summer will supply material for estimates in detail.

Between Lake Superior and Red River Settlement, the localities which strike me as being the most likely to become the sites of villages are Fort Frances, on Rainy River, the North-West angle of the Lake of the Woods, and Oak Point Settlement.

Fort Frances.

This point is at the outlet of a spacious lake, into which several rivers of great volume discharge themselves, after draining an area in which timber fit for commercial purposes is very abundant.

The Falls just in front of the Fort present unlimited water power, which is all the more valuable from the fact that there is none to compete with it within a distance of 150 miles, on the course of the river to the westward. Fort Frances is, moreover, at the commencement of a fine tract of land, which extends along the winding course of the Rainy River to the Lake of the Woods, and which being on the high road to the West, will rapidly fill up with settlement.*

It is likely also to become the centre of a mining district. Schists of Silurian age, traversed by lodes of quartz, are plentifully distributed at Rainy Lake and gold has been already reported.

Already, too, Gold mines are being worked at Vermillion Lake, which is on the United States side, but sends its waters to Rainy Lake.

With a vast district covered with groves of pine timber to the east, a large tract of the finest conceivable land to the west, and a region likely to prove rich in minerals in close proximity, Fort Frances must soon become a place of importance. Land should in consequence be reserved, not only for the public works necessary to surmount the Falls, but also for the site of a town.

North-West Angle of the Lake of the Woods.

This point has nothing very attractive about it, further than that being at the terminus of the navigation, and the commencement of the land roads, it must become a place of considerable resort and, therefore, a town plot should be laid off, and the lots sold or granted free, under condition of building and permanent residence.

Oak Point Settlement.

It would seem as if people sometimes gathered by instinct, to points which were destined to become of importance from causes of which they could have had no conception, and Oak Point settlement is one of these. The first settlers could have had no idea that a line from the dreary swamps which lay between them and the Lake of the Woods, and of which they knew nothing, would emerge at that point. A few explorers attached to the Red River Expedition, following the best ground from the North-west Angle, came upon the settlement, and, as the track they laid out is to be a highway, there is every indication that it will become a place of importance. Forty families have already established themselves and a church has sprung up in their midst.

The land is of unsurpassed fertility, and being where the prairies and forest meet, it has the advantages of a wooded and cleared country combined. Wood for fuel, building and fencing, on one side, and fields, for hay and pasture, bounded only by the dim horizon, on the other. A Town Plot should be laid off, and not a lot granted except to an actual settler.

Fort Garry,

Situated, as it is, on navigable waters, which have their sweep across half a continent, and with land of unequalled fertility surrounding it in every direction, must become a very important place. It is a point at which water lines, railroads, and telegraphs will converge. Hundred of miles away to the South, the valley in which it stands blends imperceptibly with

* This is the country of which Sir George Simpson wrote as follows:—"nor are the banks less favourable to agriculture than the waters themselves to navigation, resembling in some measure those of the Thames near Richmond, &c., and proceeds. "Is it too much for the eye of philanthropy to discern through the vista of futurity, this noble stream connecting as it does the fertile shores of two spacious lakes with crowded steamboats on its bosom and populous towns on its borders?"

that of the Mississippi, affording easy means of communication. In the opposite direction are vast tracts of navigable water, which afford ready access to the McKenzie River and the fur producing regions of the North. To the West, the broad Saskatchewan gives a route to the Rocky Mountains, with the gold fields of British Columbia just beyond, and to the East, lies the projected road to Canada which will yet bring its stream of traffic and immigration to the Prairies of the West.

Nearly sixty years have passed since Lord Selkirk planted his little colony of Scotch Highlanders at Fort Garry, and even then he must have seen the advantages of the situation in which he placed his countrymen, and the future which awaited their descendants, who are now among the lords of the soil, and must continue to grow in wealth as the country increases in prosperity.

The lands at Fort Garry are in private hands, so that no reserves can be made; but, as a general rule, Town Plots should be laid off and reserved wherever there is any likelihood of villages arising, and in such situations lots should be *sold, or granted free, only to actual settlers.*

THE INDIANS ON THE LINE OF ROUTE.

In my Report of last year, printed by order of the House of Commons, I referred to the Indians inhabiting the country about Rainy River and the Lake of the Woods, as being the only tribe with which the country would come in contact, in opening the communication between Lake Superior and the Red River Settlement.

These Indians occupy a peculiar and somewhat exceptional position. They are a community by themselves, and are essentially wood Indians, although going on hunting or fighting expeditions to the prairies. They are of the same tribe as the Indians at Red River, speak the same language, and regard them as their kindred; but they seldom see them, and have but little intercourse with them.

Although the principal line of traffic at one time passed through their territory, they have for half a century had but little intercourse with the white man. Missionaries have made no impression upon them and, in many respects, they have shewn themselves to be less amenable to the influences of civilization, than Indians usually are. They, in fact, take pride in maintaining their distinctive Indian character, are deeply imbued with traditions of what they believe to be an honorable past history, and would look with disdain on any of the community becoming christian.

They have a sort of government, consider themselves great *braves*, and occasionally send war parties to fight the Sioux on the plains. The international boundary line passes through their territory, and some of them live on the United States side and some on the British. The permanent residents, however, are almost entirely on the British side, those from the United States making their appearance in considerable numbers only in summer, during the fishing season. The country on either side is in a state of nature, wild and unsettled.

They are sufficiently organized, numerous and warlike, to be dangerous if disposed to hostility; and, standing as they do in the gateway to the territories of the North West, it is of the highest importance to cultivate amicable relations with them.

One of the first necessary steps to be taken, will be to arrive at a distinct understanding as to right of way, and have the same embodied in a formal treaty. This treaty, if confined solely to that one point—right of way—as it should be, without reference to lands for settlement, and other questions, which could be arranged after the communication was opened, would occasion no further outlay than would be involved in a few presents of blankets and such articles as they require, which an officer sent for the purpose might judiciously distribute, with the aid of the Agents of the Hudson's Bay Company.

On the opening of the communication, last year, the chiefs of the tribe sent one of their number, attended by a party of his followers, to Fort William, to ascertain what was being done, and to learn the intentions of the Government in regard to opening the communication. No information, on the subject of his enquiries, could at that time be given to him, but the fact of the tribe having sent such a messenger, and for such a purpose, shews the deep interest which they take in the present movement. They would be keenly alive to any imagined slight in opening a highway, without regard to them, through a territory of which they be-

lieve themselves to be sole lords and masters, and to which, if a lengthened period of occupation can give a claim, they have unquestionably some title.

As stated in my report of last year, working parties must be kept as much as possible aloof from the Indians, and the officers in charge should always see that they are treated with proper respect. They are very different from the timid and cringing creatures who are now the sole representatives of the Indian Race in the back settlements of Canada, and the bearing I have sometimes seen adopted towards the latter would not be relished.

Never having come in contact, with what they believe to be a superior race, they are conscious of no inferiority; but, while this is manifest in their bearing, they are, at the same time, inoffensive and obliging.

The maintenance of order and amicable relations will be much facilitated by the utter and complete exclusion of intoxicating liquors. The penalty for the introduction of such on the American side is the States Prison. Pity that we have not so salutary a law on the British side.

For further notice of these Indians, see last year's report, page 26.

MANNER OF PROGRESSING WITH THE WORK.

As explained in my report of last year, the preliminary works proposed are of that nature which can be better performed by engaging good workmen and competent overseers, than by contract.

As many men as could be advantageously employed, should be at once placed on the land roads at either end of the route, so as to render the navigable waters of the interior sections accessible as speedily as possible.

The Lake Superior road can easily be supplied with workmen and material from Canada.

For the road between the north-west angle of the Lake of the Woods and Fort Garry, workmen can readily be engaged in the Red River Settlement, but the dearth now prevailing at that place, and which must continue to prevail until harvest, would render it necessary, in the early part of the season, to procure supplies in the northern settlements of Minnesota.

In regard to the Lake Region, timber can be prepared for the dams and floated, during summer, to the respective positions where it is required, and the work of excavation and construction could, in several instances, go on immediately and be continued during winter, when supplies can be sent in more cheaply by sleighs, than with canoes in summer.

When the road between Thunder Bay and Shebandowan Lake is completed, there will be no difficulty in conveying supplies to the works in the interior, and this is one of the reasons why it should be pushed through as rapidly as possible. Operations in such localities as Nameukan and Nequaquon, would be expensive and cannot well be undertaken until this road is completed.

SCHEME OF A RAILROAD TO RAINY LAKE.

In one of my preliminary reports, printed soon after the explorations had commenced in the North West Territories, occurs the following passage:—

"When the circumstances of the country would admit of the outlay, a continuous railroad—195 miles in length—might be made between Lake Superior and Rainy Lake, and another of 91½ miles between Lac Plat and Fort Garry. If this were done, and two locks constructed at Fort Frances, the Red River Settlement would be within less than two days' journey of Lake Superior, &c." (Journal Reports of 1860, N. W. Territories, page 29.)

Since the report containing the above was written, there has been much additional exploration, and the result has been to show that a railroad of 40 miles, between Thunder Bay and the navigable waters of the interior section, combined with the lockage suggested, would be of greater advantage and vastly more economical, both in construction, in the first instance, and in working it afterwards, than a continuous line to Rainy Lake. The latter,

although the distance, in an air line, is only one hundred and seventy miles, allowing for necessary curvature, in such a region, would run up to about two hundred miles, and there are certain very important conditions which it would not meet.

It could not be extended at a future period to the Red River Settlement, except through United States Territory, on account of the Lake of the Woods, which spreads its waters for a hundred miles directly across its course; and it could form no part of a line from Canada to Fort Garry, as it would be over sixty miles distant from such a line at its starting point, on Lake Superior, and about a hundred at its terminus on Rainy Lake.

It would only be a "Portage Railroad" available during the season of navigation, for connecting one tract of navigable waters with another. In this respect it would, no doubt, be highly useful, but the same object can be effected, in this case, by the shorter line of 40 miles now suggested, combined as it would be, with the lockage necessary to render the navigation continuous, between its terminus and the North-west angle of the Lake of the Woods.

The idea of a continuous line to Rainy Lake was merely thrown out as a suggestion in a preliminary report, in which was discussed the various ways of reaching the Red River Settlement and their advantages, as compared to the longer route through the United States. It has, however, had a great deal of importance attached to it, and been adopted by many warm advocates of opening communication with the North West Territories, and I trust they will perceive that I am not arguing so much against their views as explaining why a suggestion made by myself, before the explorations had proceeded far, might now be improved upon, by extending the navigable section and adopting a greatly shorter and less expensive railroad. The principle in both cases is the same,—a railroad from Thunder Bay to the navigable waters of the interior—only that, as now proposed, the navigation would be extended to within a shorter distance of Lake Superior.

FURTHER SURVEYS AND EXPLORATIONS.

Between Nipigon Bay and Fort Garry.

As already explained in projecting a line of railroad from Lake Superior to the Red River Settlement, Nipigon Bay, should be adopted as the starting point. Running from thence in the most direct course possible, the line would come upon Lac Seul—a large sheet of water tributary to the Winnipeg. From thence it is likely that practicable ground would be found by keeping in a course nearly direct to the north end of the Lake of the Woods. From the latter point to Fort Garry, the country is better known, and no great difficulty need be apprehended, except in the vicinity of Rat Portage, where a considerable area is occupied by low rocky hills. Should the ground prove to be of a very difficult character between Lac Seul and the North end of the Lake of the Woods, it is probable that a better line might be found by following the valley of the English River—the discharge of Lac Seul—to the Winnipeg, crossing the latter above the confluence of the two, and continuing along its valley to the Seven Portages, from which point a line could be carried to the Red River Settlement, in a distance of about forty miles, over a level but somewhat swampy country. By adopting the valley of the English River the distance would not be greatly lengthened, and according to the most reliable accounts a fair country would be thrown open for settlement. Fine crops are raised at the Hudson's Bay Company farm at Lac Seul, and, as limestone underlies a portion of the country, it is reasonable to suppose that where it prevails, the soil, as is generally the case, must be good, and the ground at the same time favourable for railways.

The principal difficulties will doubtless be found in this case, as elsewhere with lines starting from Lake Superior, in getting to the waters of the western slope.

A survey should be made of the entire route and, in carrying it out, the levels along the water courses should be determined by actual measurement, with the spirit level, and the elevation of the adjoining country ascertained, approximately, by the barometer.

The region is intersected by rivers and lakes, navigable to birch canoes, so that no great time need be occupied in making a cursory survey, such as would be necessary to ascertain the general character of the country.

The survey might be combined with operations at Fort William, so that no separate organization would be required.

Between Thunder Bay and Rainy Lake.

Measurements require to be taken, on which to base estimates for the work required to render the navigation continuous between Shebandowan Lake and Fort Frances, and in view of the importance which must now attach to the country on the line of route, cursory surveys should be made of all the lakes and tributary streams for a considerable distance on either side thereof. These surveys might, without greatly increasing the outlay, be carried on in connection with the work on the projected roads and dams already reported on.

MR. RUSSELL'S WORK ON THE NORTH-WEST TERRITORIES.

In concluding this report I feel it incumbent upon me, in the interest of public information, on the subject of the North-west territories, to draw attention to a work by A. J. Russell, Esq., of this city, about to issue from the press of Geo. E. Desbarats, Esq., an advance copy, of which I have had the privilege of perusing. A lack of proper knowledge of these immense regions, so widely different in their climatic influences—though heretofore so generally referred to under the somewhat chilly name of *Hudson's Bay*, to which vast territories, thus classed, bear not the slightest affinity—and the utter want of any available means of acquiring such knowledge, has heretofore precluded the possibility of any general practical discussion of the results to be attained by the development of the country. The information about to be laid before the public in Mr. Russell's work, will, therefore, be of the very greatest importance, drawing, as it does, from every source that patient investigation could render available such stores of knowledge as have yet accumulated, and presenting the whole, illustrated by maps, shewing the fertile and the barren, the genial clime which invites millions of settlers to till the virgin soil, and the hyperborean regions where the hunter and the fur trader will still have unmolested sway, in a manner that will enable every one to judge for himself of the future that awaits the Dominion that now presents so vast a field for enterprise and progress. Mr. Russell's work is deserving of a more extended notice than comes within the scope of this report.

THE GREAT NORTH WEST.

Although it may seem to be stepping aside a little from the direct matter of this report—properly confined to the subject of opening the communication—yet, inasmuch as I have, heretofore, under the orders of the Government, visited the great region farther to the west, to which the opening of this first link is but the unbarring of the gateway, I cannot close without congratulating the country and the honorable gentlemen themselves, on the success achieved by the deputation in settling a question that lays open to the enterprise of the Dominion a region which forms no inconsiderable portion of the American Continent, and which is probably unsurpassed, in the variety and extent of its natural resources, by any other area of equal dimensions on the earth's surface.

To those who believe that the North West country, including the Red River and Saskatchewan valleys, was properly a part of Canada, when they consider the formidable array which stood in the way of establishing our rights, and the vastness of the stake, the sum to be paid will appear insignificant; and when, in addition to all that could have been fairly claimed, we acquire an immense territory, rich in the products of the chase, in fisheries and probably in mines, to which the right of the Hudson's Bay Company was not even in dispute, and extinguish thereby the last vestige of a sway which, however mildly exercised, is not conformable to constitutional usage, over any part of British North America, a result has been accomplished of which the country at large and the delegates themselves may justly feel proud.

There is but one point in the transaction to which some seem disposed to take exception, and that is the appropriation to the Company of a small proportion of the land within the district known as the Fertile Belt, and which is not the only fertile belt in the wide regions of the North West. I would scarcely feel justified in touching on this subject did I not believe, from long personal intercourse with the resident members of the Company, that the arrangement will work well and conduce to the general advantage.

No one will dispute the wisdom and ability with which the Hudson's Bay Company have conducted their affairs, and if in the past they have sought to exclude settlement, as opposed to their interests, is it not reasonable to believe that the same ability will now be directed to its promotion, both because they will have other dealings with Canada, which will make it their interest to act in concert with her, and because their lands in the fertile belt will thereby increase in value?

Assuming this as the natural result, I can speak of the resident partners and officers of the Company as having it in their power to render the most important services, both in aid of settlement and in the control of the Indian element. They are wedded to the soil; they know every part of the country; and under the new *régime* they will find that their interests are identical with its progress. Moreover, the influence of the partners in England—many of whom are in positions which will render their aid of the greatest importance—in directing emigration to the Prairies of the West, will probably be of more avail than any other effort likely to be made in the same direction.

To conclude, there is a beautiful and fertile land of vast proportions, inviting the husbandman to its virgin soil. If we, in turn, invite and interest all influences in the Dominion, the Hudson's Bay Company included, to unite in its development and in directing emigration and settlement to it, the day is not distant when a teeming population of millions will find there the means of prosperity and plenty; and it would be a fitting sequel to the work now being accomplished if, within a few short years from this date—which is quite possible—the delegates of last winter, Sir George E. Cartier, Bart, and Hon. Wm. McDougall, C. B., with the best appliances of modern travel, could visit the fertile belt, and see its broad navigable rivers, cutting through great coal fields near their sources, to wind for many hundreds of miles through grassy prairies of unsurpassed fertility, or, passing from this fertile belt, to view still another belt as vast,—further to the north, but farther also to the West, and under the climatic influence of a lower level—where another navigable river, the great Unjiga, taking its rise in the plains of British Columbia, cuts through the Rocky Mountains, in its course of a thousand miles, and winds eastward through woodland and prairie, across ten degrees of longitude. This is the region which so impressed Sir Alexander McKenzie, the first civilized man who had ever beheld it. Early in May he saw the country green with exuberant verdure, its gently undulating hills and valleys covered, far as the eye could reach, with vast herds of Buffalo and Elk, with their young frisking about them. He speaks of its soft and beautiful scenery, its trees in full blossom, and indeed, to judge from his account, as well as from the narratives of other travellers, it would seem as if this remote country of the Unjiga with its winding streams, its clumps of trees, and beautiful green sward, and its herds of untamed cattle, rivals, if does not surpass, in many places, all the groves, lawns and plantations with which genius and art seek to adorn the habitations of civilized life.

Respectfully submitted,

S. J. DAWSON.

RETURN

(In part) to an Address of the HOUSE OF COMMONS, dated 3rd May, 1869; For copies of all Surveys and Reports made by the Engineers or other employés of the Government relative to Harbors of Refuge or other Harbors on the East Coast of Lake Huron, and copies of all instructions to such Engineers or employés; also correspondence between the Dominion and Ontario Governments on the subject of such Harbours.

By command.

HECTOR L. LANGEVIN,

Secretary of State.

DEPARTMENT OF THE SECRETARY OF STATE,

Ottawa, 19th May, 1869.

RETURN

To an Address of the HOUSE OF COMMONS, dated 14th June, 1869; For copies of all Reports, Plans, Surveys, and other Documents sent in to the Board of Public Works Department, during the past ten months, and having reference to the location of a Harbor of Refuge on the North Shore of Lake Erie, between Colborne and Point Pelée.

By Command.

HECTOR L. LANGEVIN,

Secretary of State.

DEPARTMENT OF THE SECRETARY OF STATE,

Ottawa, 19th June, 1869:

RETURN

To an Address of the HOUSE OF COMMONS, dated 26th April, 1869; For a Statement of the amount of debt of the Provinces of Ontario and Quebec on the 1st July, 1867, particularizing in detail the service for which such debt has been incurred; also a like Return showing the debt of Nova Scotia, 1st July, 1867; also, a like Return, shewing the debt of New Brunswick, on the 1st July, 1867; also, a Return shewing any payments made by the Dominion to Ontario, Quebec, Nova Scotia and New Brunswick, particularizing in detail the services or consideration for which such payments have been made, from 1st July, 1867 to 1st April, 1869; also a Return shewing the amount of debt in detail of the Dominion on the 1st April, 1869, particularizing the services such debt or liability has been incurred.

By Command.

HECTOR L. LANGEVIN,
Secretary of State.

DEPARTMENT OF THE SECRETARY OF STATE,
OTTAWA, 21st May, 1869.

RETURN

To an Address of the HOUSE OF COMMONS, dated 7th June, 1869; For a detailed Statement of all payments that have been made on account of the Public Debt of Nova Scotia, since 1st July, 1867, not embraced in the Returns already published and signed by Messrs. Tims and Annand.

By command.

HECTOR L. LANGEVIN,
Secretary of State.

DEPARTMENT OF THE SECRETARY OF STATE,
OTTAWA, 11th June, 1869.

R E T U R N

To an Address of the HOUSE OF COMMONS, dated 10th May, 1869; For Copies of all Correspondence, Orders in Council and other papers between the Government and William Brewster, or any other parties, respecting the claim of William Brewster for damages, &c., on account of work done on the Lachine Canal.

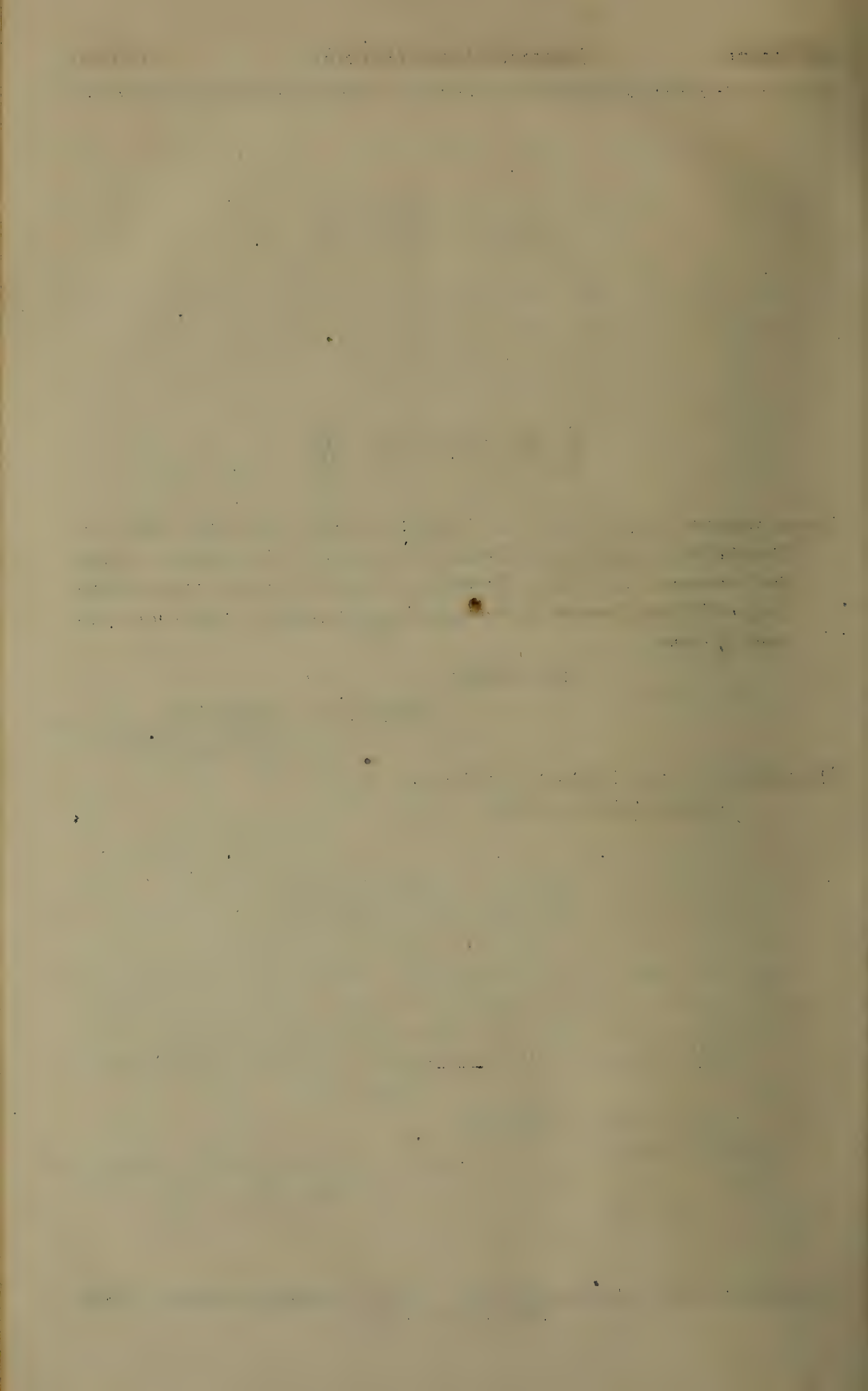
By command.

HECTOR L. LANGEVIN,

Secretary of State.

DEPARTMENT OF THE SECRETARY OF STATE,

Ottawa, 21st May, 1869.



RETURN

To an Address of the House of Commons, dated 22nd April, 1869, for Copies of all Correspondence between the Governments of the Provinces of Ontario and Quebec and the Dominion Government, relative to the settlement of accounts with and between the same, and concerning the arbitrators appointed by the Dominion and Provincial Governments respectively; also, a statement of moneys paid on account of said Arbitration, and to whom, with all documents connected therewith.

By command.

HECTOR L. LANGEVIN,
Secretary of State.

DEPARTMENT OF THE SECRETARY OF STATE,
Ottawa, 13th May, 1869.

AUDIT OFFICE,
Ottawa, May 12, 1869.

SIR,—I have the honor to enclose copies of all correspondence between the Governments of the Provinces of Ontario and Quebec and the Dominion Government, relative to the settlement of accounts between the same, in return to an Address of the House of Commons.

I have further the honor to report, that no money has been paid on account of the arbitration between these Provinces.

I have the honor to be,
Your obedient servant,

E. Parent, Esq.,
Under Secretary of State.

JOHN LANGTON,
Auditor.

MEMORANDUM for the Honorable Mr. Rose.

The undersigned submits that Ontario is entitled to interest on \$188,878.19, from the 1st July to the 31st December 1867, as shewn by the following statement of accounts between the Dominion and Ontario, made up to the 31st December, 1867 :—

$\frac{1}{2}$ year's subsidy and specific payment on 1st July, '67	\$598,436.40
1867, August 12th, Cash from Dominion.....	40,000.00
“ “ “ Payments made by Dominion on account of Ontario between 31st July and 31st December 1867.....	530,765.73

\$570,765.73

Less, Received by the Dominion on account of Ontario... 161,207.52, 409,558.21

\$188,878.19

Whatever may be said about undrawn balances it must be clear and beyond any dispute that during the six months ending the 31st December, the Dominion had the sum above mentioned in its hands, and which Ontario, in deference to the wants of the Dominion, forbore to draw. On this sum of \$188,878 19, it is proposed to charge the Dominion interest at the rate of 6 per cent. giving the Dominion the advantage of the large monthly balances on the residue against the Dominion. This interest will amount to \$5,666.34. I am satisfied nothing short of this will satisfy the just expectations of Ontario.

On the 1st January 1868, the probable statement of the accounts between the Dominion and Ontario was as follows :—

Balance on 31st December, 1867.....	\$188,878.19
$\frac{1}{2}$ year's subsidy and specific payment.....	598,436.40
	<u>\$787,314.59</u>
Less, Supposed half yearly payment on supposed excess of debt over \$62,500,000, (\$242,178.00 yearly).....	121,089.00
	<u>\$666,225.59</u>
Balance due Ontario on 1st January, 1868.....	\$666,225.59
It is proposed to take half a million in Dominion Stock, and to charge interest on this half million from 1st January '68, which half million being deducted.....	500,000.00
	<u>\$166,225.59</u>
Will leave a balance of.....	\$166,225.59

in the hands of the Dominion, and which may be increased or diminished by a proper adjustment of certain items of account between the two Governments, and certain receipts and payments since made, but which will not be very materially changed. It is proposed to give the Dominion the advantage of retaining this balance until it shall be required by the Government of Ontario, an event not likely to take place before about the 1st of July next.

If the Government of Ottawa accede to the terms of this memorandum in respect of interest, the undersigned is instructed at once to take \$500,000.00 in the inscribed stock of the Dominion. A prompt decision is requested, as it is a duty which the Government of Ontario cannot postpone to place its surplus funds in such a position as to yield a proper return.

It will be noted that the payment of interest on the excess of debt *is not in advance*, as *is* the payment of the subsidy and specific payment by the Dominion.

(Signed,) E. B. WOOD.

OTTAWA, 1st April, 1868.

DEAR SIR,—I beg to acknowledge the receipt of your memorandum of yesterday's date on the subject of the balances payable by the Dominion Government to the Province of Ontario, and in which you claim that interest be allowed on a portion of these balances, and propose investing \$500,000 in Dominion Stock. I wish to lay before you certain facts which I trust you and your colleagues will admit must have an important bearing on this matter. On taking office late in November last, the necessity of providing for the payment of the subsidies on the 1st January ensuing, in case they were called for, at once forced itself on my attention.

In a conversation with you in December last, I expressed the hope that your demands on the Dominion Exchequer at the outset might be as light as your own necessities would permit. I understand that at that time the Government of Ontario had not, as in fact they could not, have come to any conclusion with reference to the disposal of their surplus funds, and that you wished to leave them available, and although you were kind enough to intimate that you hoped such arrangements might be come to as might be for the mutual interests and credit of the Dominion and the Provinces. I did not (especially in view of the discussions which took place in the Provincial Legislature) feel warranted in omitting to make provision for the payment of the full subsidy whenever you might require it. The propriety of

my doing so, will I am sure, be at once recognized. That provision so made has since been at the disposal of the Province of Ontario on its demand.

Until you could get Legislation authorizing the Government of Ontario to deal with this subsidy, the money could not otherwise than be considered by you and me, as available at call, and I did not feel warranted in reducing my Bank Balances by remittance to England or otherwise, to such an extent as to prevent an immediate payment of the subsidy. The circumstances were such that you could not for some time give the Dominion Government any assurance that the money would remain in its hands for any definite period, and of course the corresponding duty devolved on me of having provision in hand for it at call. If the Dominion Government had not made provision and had not been paying interest elsewhere, I should readily acquiesce in the propriety of their giving a fair rate of interest to you, but I think you will equally admit that having done so, we would hardly be warranted in paying interest twice over. You are aware that after a time I called official attention to the circumstances with the view of obtaining a formal intimation of the conclusion you had arrived at. It is so important in the public interest that the financial relations of the two Governments should be on the most friendly footing, that I am sure it will be our mutual endeavor so to adjust the question of interest during the period of transition, when the responsible ministers neither of the Province nor of the Dominion could exactly control events, as to be equitable to both, and which the public will not have reason to complain of.

Had you been in a position to take Dominion stock when other parties subscribed, you would have been entitled to interest from the day you paid in full, and in that case I should have been able to have reduced my liabilities elsewhere. It is equally obvious that you could not elsewhere have got interest on undrawn balances, left at call. With reference to any balance on the half year's subsidy previous to the 1st January, 1868, I am sure it has escaped your attention that, owing to the absence of organization of the Local Government, the whole of the operations were performed by the Dominion officers and in the Departments here. In fact all daily receipts and payments on account of Ontario took place here, and there was hardly any party to whom large payments in advance could be made. The money had necessarily to be in the possession of, and to be disbursed by, the Dominion authorities, and it was not until lately that the estimated balance on the 1st of January for the subsidy of the previous half year was ascertained.

It may not be improper to mention that the Dominion officers have throughout been performing various services, and the Dominion Government have continued to disburse money for the services of the Provinces, and that the keeping of this suspense account is attended with some considerable charges. However, being most anxious that these past matters should be settled in a fair way, I propose as an equitable adjustment :

1st. That your Dominion stock shall bear 6 per cent interest from the 25th February last when the first payments were made.

2nd. That you should determine now what amount of the July subsidy you will take in Dominion stock, and that you should be entitled to receive that at par, and to bear interest from the 1st July.

3rd. That as respects any other balance of that subsidy, or the present half year's, which you may allow to remain in the hands of the Dominion Government, for a period of at least three months, with one month's notice of withdrawal to be given, and thereafter you should receive interest at the rate of 3 per cent per annum, the Dominion Government having the power to pay it off at any time on giving you one month's notice.

Yours very truly,

(Signed,)

JNO. ROSE,

Minister of Finance,

Hon. E. B. Wood,
Treasurer of Ontario.

AUDIT OFFICE,

Ottawa, 7th May, 1868.

MY DEAR SIR,—I am not aware that any positive agreement has as yet been entered into between the Minister of Finance, and the Premier of Ontario, as to the manner of pay-

ing or investing the balance of subsidy due. The terms which were proposed, and which it was understood both assented to, were:—

Interest to be allowed on all balances between January 1st and March 1st, at the rate of 3 per cent.; between March 1st and May 1st, at the rate of 4 per cent.; and after May 1st, at the rate of 5 per cent. The balance due May 1st, not to be paid before November 1st, but after that date, at any time after four months' notice previously given by Ontario. The whole or any part may be paid by the Dominion at any time after one month's notice.

I have the honor to be, Sir,

Your obedient servant,

(Signed,)

JOHN LANGTON.

Hon. E. B. Wood.

ATTORNEY GENERAL'S OFFICE,
TORONTO, 10th June, 1868.

SIR.—In view of your intended departure for England this week, as announced in the newspapers, I feel bound to call your special attention to the earnest desire entertained by the Government of Ontario, that no time should be lost in entering upon the preliminary examination, as between this and the Quebec Government and your Departments in reference to the actual public debt of the Dominion. You need not be reminded of the fact of this Government having lost no time in selecting an arbitrator to act for it, and the delay which has since occurred in regard to the matter of arbitration has had the effect of seriously interfering with projects having for object the material advancement of this Province.

Reference to the debates of our late Session here, and to answers given by myself in our Assembly, will prove that much reliance was placed (as an excuse for the deferring of many matters of importance) upon the early result of the Arbitration contemplated by the Imperial Act. I trust, therefore, that your absence in England will not be offered as a justification for the further postponement of an investigation connected with which the interests of this and the sister Province of Quebec, are so deeply concerned.

I am transmitting a copy of this letter to the Honorable Mr. Dunkin, in Quebec.

I have the honor to be, Sir,

Your obedient Servant,

(Signed,)

J. S. MACDONALD.

The Hon. JOHN ROSE,
Finance Minister, &c., Montreal.

MONTREAL, 12th June, 1868.

SIR,—I have the honor to acknowledge the receipt of your letter of the 10th inst., bringing under my notice the position of the debt of the Provinces of Ontario and Quebec, with the view to proceeding with the arbitration between the Dominion and those Provinces.

I beg to say in reply, that the subject has engaged the attention of the Finance Department and of the Government for some time past, and as much progress has been made as the difficulties inherent in the circumstances themselves would admit.

No delay whatever has taken place, but you must be aware that items, considerable both in number and amount, are still coming in which have to be paid and charged as arrears, or credited to the two Provinces of Ontario and Quebec, thus affecting the exact amount of debt for which they would be respectively liable.

The Board of Audit have recently been engaged in a consideration and adjustment of these items as far as they have come in, and I am happy to be able to inform you that I trust that such an approximate determination of the amount of the debt will soon be arrived at, as will enable practical progress to be made with the arbitration. You must however be aware from the nature of the accounts that it will be quite impossible, at the present time, to have a complete and final adjustment, and certain items must be left in suspense.

Such arrangements have been made as that no delay will arise from my necessary absence in England.

I have the honor to be, Sir,

Your obedient servant,

(Signed,) JOHN ROSE,
Minister of Finance.

The Hon. J. S. MACDONALD,
&c., &c., Toronto.

(Copy.)

TREASURY DEPARTMENT, ONTARIO.

Toronto, June 12th, 1868.

MY DEAR SIR,—Adverting to your letter of the 7th ultimo, I find that you have correctly set forth the terms upon which the Premier of this Government and the Minister of Finance had arranged for the interest to be allowed upon the sum of five hundred thousand dollars (\$500,000, a portion of the debt due by him to the Ontario Government.

I have now to communicate to you that the amount will be required for the use of this Government on the first day of November next, as arrangements have been made for the payment thereof at that date.

I will thank you to acknowledge receipt of this letter, and be good enough to say that it is sufficient notification from me for the payment which then falls due on account of the said investment, by the Finance Minister.

I am, &c.,

(Signed,)

E. B. WOOD.

JOHN LANGTON, Esq.,
Auditor.

AUDIT OFFICE,

Ottawa, 15th June, 1868.

SIR.—On my return from Montreal I found yours of the 12th inst. awaiting me.

I note your notification that \$500,000, on account of the arrears of your subsidy, will be required on the first day of November.

We shall be prepared to pay that amount as required, or as much of it as, upon the settlement of accounts, which will no doubt be completed long before that, may be in our hands.

I have the honor to be, Sir,

Your obedient servant,

Hon. E. B. WOOD,
Treasurer.

(Signed,)

JOHN LANGTON,
Auditor.

AUDIT OFFICE,

OTTAWA, June 19th, 1868.

SIR,—I am instructed to inform you that the government will be prepared to submit to the arbitrators, at an early day, a statement of the debt, and of the assets which will have to be apportioned by them between Ontario and Quebec. It is suggested that the arbitrators should meet as soon after July 1st as may be, and you are requested to place yourself in communication with the Government of Quebec, and to inform this Government of the time when it is proposed that the meeting shall take place, in order that we may give notice to the arbitrators on the part of the Dominion.

I have the honor to be, Sir,

Your obedient servant,

(Signed,)

JOHN LANGTON,
Auditor

The Hon. E. B. WOOD,
Treasurer, Toronto.

N. B.—A similar letter to the Treasurer of Quebec.

OTTAWA, 23rd June, 1868.

SIR,—I have the honor to acknowledge receipt here of a duplicate of your letter of the 19th instant, mailed to my address at Quebec, and to state that I have lost no time in writing to the Treasurer of the Province of Ontario, with a view to such arrangements as may be found practicable for an early meeting of the arbitrators.

I need not wait his answer to observe, that in the meantime a great advantage would result from the earliest possible communication (whether formal or informal) to him and to myself, of the statement proposed to be submitted by the Government of the Dominion, as it would not only put us both into a position to enter the sooner upon our discussions before the arbitrators, but might also enable us by preliminary explanations and otherwise to narrow down and materially abridge such discussions.

I have the honor to be, Sir,
Your obedient servant,

(Signed,)

CHRIST. DUNKIN,
Treasurer, P. Q.

JOHN LANGTON, Esq.,
Auditor, Ottawa.

TREASURY DEPARTMENT, ONTARIO,
TORONTO, 25th June, 1868.

SIR,—I have the honor to acknowledge the receipt of yours of the 19th instant.

In reply thereto I beg to state that the Government of Ontario are glad to learn that, after a delay of nearly a year, the Government at Ottawa are making some progress in the preparation of "a statement of the debts and assets which will have to be apportioned by the arbitrators," under the Act of Confederation, between Ontario and Quebec.

It appears to the Government of Ontario that the proposed "Statement of Debts and of Assets" should be submitted to the respective Governments of Quebec and Ontario for examination and discussion and final adjudication with the Government at Ottawa before it can properly be laid before the arbitrators under the Imperial Act. I would, therefore, request that you would furnish the Governments of Ontario and Quebec, with as little delay as possible, "*a statement of debts and of the assets which will have to be apportioned by the arbitrators between Ontario and Quebec.*"

I take this occasion to express my regret that this statement, so urgently pressed upon the Government at Ottawa by the Governments of Quebec and Ontario, has been so long delayed.

I have the honor to be, Sir,
Your obedient servant,

(Signed,)

E. B. WOOD

JOHN LANGTON, Esq.,
Auditor, &c., Ottawa.

(Copy.)

TREASURY DEPARTMENT, ONTARIO,
TORONTO, June 25th, 1868.

SIR,—I have the honor to request that you will furnish this Department with a statement including all receipts and expenditure by the Government at Ottawa, on account of Ontario, up to the 30th June inst., including in such statement the moneys received by the Government at Ottawa for the C. F. and F. F. Law Stamps, as also the moneys received on account of Marriage Licenses, Municipal Loan Fund, U. C., and from all other sources.

In striking a probable balance in such statement, I assume you charge Ontario with the supposed half-yearly payments on supposed excess of debt over \$62,500,000 (\$242,178 yearly), payable on the 1st of July, and credit Ontario with the half-yearly subsidy and specific payment of \$598,436.40.

It is important that I have this statement by the 1st of July.

I have, &c.,

(Signed,) E. B. Wood.

JOHN LANGTON, Esq.,
Auditor, Ottawa.

AUDIT OFFICE,
OTTAWA, 30th June, 1868.

SIR,—I regret that I reached your hotel just too late to catch you before you left Ottawa. I am instructed to say, that in case you should not want any part of your subsidy payable July 1st, we will be willing to allow you 5 per cent. upon it, upon the understanding that it be left in our hands for three months certain, and not to be withdrawn afterwards without one month's previous notice. It is understood that the amount you may possibly be able to leave with us is from \$200,000 to \$300,000.

I have the honor to be, Sir,

Your obedient servant,

(Signed,) JOHN LANGTON,
Auditor.

Hon. E. B. WOOD,
Treasurer, Ontario.

(Copy.)

TREASURY DEPARTMENT, ONTARIO,
TORONTO, July 3rd, 1868.

SIR,—I have the honor to acknowledge the receipt of your letter of the 30th ultimo, and in reply I have to say that I think you may count upon retaining in your hands at least \$300,000, or whatever greater sum, a settlement of accounts hereafter to be made, as of the 1st of July inst., shall shew to be due on that day from the Dominion to Ontario, upon the terms mentioned in your letter, but before finally deciding, I wish to communicate with the Attorney General, who is now in Cornwall.

On account of the subsidy due the 1st of July instant, you will be good enough to transfer to my credit in the Bank of Montreal \$300,000 (Three hundred thousand dollars). This is all I shall require till the 1st of January next.

I have, &c.,

(Signed,) E. B. WOOD.

JOHN LANGTON, Esq.,
Auditor, Ottawa.

AUDIT OFFICE,
OTTAWA, July 7th, 1868.

SIR,—I have the honor to enclose to you, by the instructions of the Minister of Justice, a copy of a Report proposed to be submitted to the Executive of the Dominion for determining the basis upon which the arbitration between Ontario and Quebec is to proceed.

I have the honor to be, Sir,

Your obedient servant,

(Signed,) JOHN LANGTON,
Auditor.

The Hon. J. S. MACDONALD,
Attorney General, Toronto.

MEMORANDUM upon the doubtful points which will have to be decided in determining the net debt of the late Province of Canada.

(1.) Where items appear upon both sides of the statement of affairs, which are clearly only parts of the same account, in which the same party alone is interested, the balance only is to be counted as an asset or liability, as the case may be.

(2.) Of the Debentures issued for the Aylmer Court House, \$19,674.97, and the whole \$8,955.00 issued for the Court House of Kamouraska, are only guaranteed by the Province of Canada to the extent, that the local tax collected shall be applied as far as it goes, in the payment of interest and redemption of the principal. These, with the corresponding accounts on the other side, are to be struck out of the Statement of Affairs, the responsibility of collecting the tax and applying it being transferred to Quebec, with the proviso, that if at any time hereafter the government of Quebec shall not collect this tax or apply it according to law, and the Dominion is called upon to make good the guarantee of the late Province, any sum so paid by the Dominion, shall be deducted from the next payment of subsidy to Quebec.

(3.) Debentures to the extent of \$188,000.00 were issued, under an Ordinance of Lower Canada, for the Montreal Turnpike Trust, which were guaranteed, principal and interest, by the Province, but the Trust has always paid its interest punctually to the holders. These, with the corresponding account on the other side are to be struck out of the Statement of Affairs, but with the proviso, that, if at any time hereafter the Dominion is called upon to make any payment under the guarantee of the late Province, a similar sum shall be deducted from the payment of the subsidies of Ontario and Quebec, in such manner and in such proportions as the arbitrators may award.

(4.) Similar Debentures to the extent of \$481,426.67, the interest upon which is regularly paid, were issued by the Montreal Harbour Commissioners, and they are to be treated in the same way, excepting that the Montreal Harbor being part of the general chain of navigation, both Ontario and Quebec should be charged with any payment made under the guarantee in proportions to be determined by the arbitrators.

(5.) The investments for Trust Funds are to be deducted from the capital of the Funds which are invested in them, and the unpaid interest, which has been allowed to the Funds and charged against the Quebec Turnpike Trust and the City of Hamilton on these investments, are to be similarly deducted from the corresponding Income Funds, the investments themselves with the coupons being handed over to the Provinces interested in the funds; but, as Ontario and Quebec have a joint interest in the Common School Fund, the investments for that fund and the accrued interest thereon must be handed over to Ontario and Quebec conjointly, to be dealt with by the arbitrators. It is to be observed that the Trust Fund Investment account is not included in the Fourth Schedule of Assets the property of Ontario and Quebec, neither is the account "City of Hamilton Interest Account," although in its origin it is strictly analogous to that of "Quebec Turnpike Trust" which is included; but as all these accounts are under this clause to be deducted from the Trust Funds for which the Dominion is responsible, it is quite just that they should also be transferred in addition to the items named in the Schedule.

(6.) The following liabilities of the late Province, in which Ontario and Quebec are interested, will be paid in Cash to the proper parties as they may be called for, viz :

Court Houses, L. C.
 Montreal District Council.
 Municipalities Fund, U. C.
 U. C. Grammar School Income Fund.
 U. C. Improvement Fund.
 Compensation to Seigniors, (the arrears).
 Township Indemnity do.

(7.) Upon the following liabilities the Dominion will pay 5 per cent semi-annually, viz :

Common School Fund.
 U. C. Grammar School Fund,
 Superior Education Fund, L. C., including the Superannuated Teachers' Fund
 and the Normal School Building Fund.
 U. C. Building Fund.

(8.) Upon the following liabilities the Dominion will pay 6 per cent semi-annually until further legislation :

Compensation to Seigniors, (the capital).
Indemnity to Townships, do.

(9.) The following Trust Funds will be retained in the hands of the Dominion, paying all legitimate charges and allowing 5 per cent on the balances, until all charges which may by law be payable out of them have fallen in, when the accumulated capital of the Funds will be paid in cash to the Municipalities' Funds, U. C. and L. C., viz :

Uncommuted stipends and Widows' Pensions, U. C.
do do L. C.

(10.) The account "Crown Lands Suspense Account" is to be struck out of the Dominion Ledger, each Province being responsible for satisfying any claims against each, either in money or in land, the arbitrators deciding how the responsibility is to be apportioned. If Ontario or Quebec shall fail to satisfy any just claimant, either in money or land, the Dominion will pay the claimant and charge it against the next payment of the subsidy to the defaulting Province.

(11.) The Sinking Funds of the Imperial Guaranteed Loan, and the Consolidated Canadian Loan will be deducted from the gross liabilities at their par value.

(12.) The debts due by Railways, by the 108th section of the Act, are the property of the Dominion, and being securities for money, they should, by the 107th section be deducted from the gross liabilities, if their present value could be ascertained. As this cannot be done with any accuracy, the net debt is to be ascertained at present without taking them into account; but with the proviso that if in any year hereafter any railway pays any portion of the capital due, or of arrears of interest accrued in a previous year, a like amount shall be deducted from the capital of the debt, for which Ontario and Quebec are conjointly liable; and if in any year a railway pays current interest on any portion of its debt, five per cent upon the like amount, upon which the railway has paid interest, shall be remitted in the next settlement of interest and subsidy with Ontario and Quebec, the arbitrators awarding in what proportions such reduction of capital or interest shall be divided between them.

(13.) The debt of the Bank of Upper Canada is to be treated in the same way as the Railway Debts.

(14.) Of the securities held in the Consolidated Fund Investment Account, the following pay their interest regularly, and are to be deducted from the gross debt at their par value, viz :

Montreal Harbour.....	\$211,266.68
Montreal Turnpike Trust.....	67,200.00
Town of Cobourg.....	44,798.24
City of Toronto.....	18,883.00
	<u>\$342,147.92</u>

The following are Railway Securities, and will be treated like other Railway Debts, as in section 12, viz :

Grand Trunk Railway Bonds.....	\$243,406.33
Northern Railway.....	243,333.33
	<u>\$486,739.66</u>

The following are doubtful, and will be treated in the same way as the Railway Debts, viz :

City of Hamilton Coupons.....	\$22,248.89
Quebec Turnpike Trust Bond.....	20,000.00
McGill College Mortgage.....	47,990.00
Lord Selkirk and Boulton Mortgage.....	13,900.00
Boulton, do.....	9,828.00
Markland, do.....	5,882.25
The Bank of U. C. Stock.....	750.00
	<u>\$120,599.14</u>

The remaining item, \$48,180.00, represents an amount advanced to the Bank of U. C. upon the security of £11,000 stg. of Canadian 5 per cent bonds. The Bank having failed to redeem them in the time specified, these bonds are the property of the Dominion, and may be deducted from the gross debt at their par value of \$53,533.33.

(15.) The Cash and Banking Accounts will be deducted from the gross debt at par value, except the following:

Cash Suspense Account, will be deducted at a value to be placed upon it by the Treasury Board.

Crown Lands Department will be struck out of the Statement of Affairs of the Dominion, and Ontario and Quebec will be responsible for the liabilities, and collect the debts due to the late Crown Lands Department, subject to such arrangements as may be made by the arbitrators.

The Statement of Affairs of the late Province of Canada, June 30, 1867, as revised and analysed in accordance with the foregoing rules will stand as follows:

Statement of Affairs of the Province of Canada, June 30, 1867.

LIABILITIES.	\$ cts.	ASSETS.	\$ cts.
Direct debt assumed by the Dominion	62,734,797 63	Public Works including Steamers	27,721,799 53
Indirect debt assumed by the Dominion	150,400 00	Miscellaneous Assets	26,529 20
Miscellaneous liabilities (Indian Fund, &c.)	1,822,997 62	Assets to be transferred to Ontario and Quebec	11,166,998 42
Banking accounts	3,096,415 22	Assets of similar character but not named in the Schedule, including Crown Lands balance	146,760 52
Liabilities to O. and Q. payable in cash	464,294 24	Assets to be deducted now from gross debt	3,745,488 79
Liabilities on which 5 per cent will be paid	3,608,870 43	Assets to be deducted as realized	35,013,663 31
Liabilities on which 6 per cent will be paid	3,869,810 02		
Liabilities payable in cash when all charges have fallen in	54,270 15		
Balance of Consolidated Fund ..	2,019,389 46		
	<u>\$77,821,244 77</u>		<u>\$77,821,244 77</u>

Total Liabilities

Less, Cash Securities, &c.

Net debt by Statement of Affairs, June 30, 1867

(16.) Whenever a service has been performed or a debt incurred before June 30th, 1867, which when paid would be charged against Consolidated Fund, or any open account in the ledger in which Ontario and Quebec are not specially interested, if the payment was made after that date, it is to be charged against the late Province, whether it is mere current expenditure, or whether it leaves a valuable asset behind, as stores or public works. And receipts due before June 30, under similar circumstances, are to be credited to the late Province.

(17.) Balances of appropriations chargeable against Consolidated Fund, which remained unexpended June 30th, are to be treated as liabilities of the late Province only in those cases where there was a definite grant, a balance of which was left in the hands of the Province, and not when they were only meant to cover current expenditure, which might or might not

be required. The balances of appropriations, June 30th. which come under this definition, are the following, and are payable in cash, viz :

Common School Grant, U. C.....	\$126,999.87
Do. L. C.....	36,583.46
Colonization Roads, U. C.....	65,939.00
Do. L. C.....	5,692.11
Agricultural Instruction, U. C.....	100.00
Do. L. C.....	27.00
University Lying-in Hospital, Montreal.....	480.00
St. Hyacinthe Hospital.....	320.00
Indigent sick, Quebec.....	8.15
Pensions.....	280.00
	<hr/>
	\$236,429.59

(18.) Interest on Public Debt, and Commission and Charges thereon, due July 1st, are to be charged against the late Province, and interest and charges thereon falling due after July 1st, are to be charged against the Province and the Dominion, in proportion as the period in respect of which they accrued was before or after July 1st.

The late Province is to be credited with the discount at which investments were purchased for the Sinking Fund after June 30th, to the extent to which those investments were required to be made up to that date ; and the Province is to be charged with the discount at which investments might have been purchased, if the £50,000 sterling, remitted after June 30th, had been remitted in cash instead of bonds.

(19.) The Province is to be credited or charged with the premium or discount at which the balance of the investments of the Imperial Guaranteed Loan Sinking Fund will be sold in September next.

(20.) The Province is to be charged with one-half of the salaries of the Prison Inspectors in 1867-8, and with such a proportion of their expenses as they may certify were incurred in inspecting institutions under the control of Ontario and Quebec.

(21.) All arrears still due by collectors and public accountants, in respect of services which are now under the control of the Local Governments, shall be handed over to Ontario and Quebec conjointly to be dealt with by the arbitrators, and shall not be taken into account in the settlement between the Dominion and the late Province. All arrears due by collectors and other accountants, in respect of services under the control of the Dominion, shall be assumed by the Dominion and credited to the late Province at their full value, if the accountants were still in the service of the Dominion, July 1st, 1867 ; but if they had ceased to be in the service at that date, such arrears shall be valued by the Treasury Board, and shall be credited to the late Province at such valuation.

(22.) All pensions, which on 1st July, 1867, were payable to any person under laws of the late Province, and all pensions not guaranteed by law, but which had continued to be paid annually by votes in the Estimates, are to be valued by capitalizing them according to the age of the pensioners, by the English Government Annuity Tables at 5 per cent., and such capital is to be added to the liabilities of the late Province.

(23.) Additional pensions voted during the late Session in consequence of casualties arising from the Fenian inroads, having been granted in order to carry out an address of the Legislative Assembly of the late Province, are to be similarly capitalized and added to the liabilities.

(24.) Gratuities and compensation voted during the late session in consequence of the Fenian raids shall be charged against the Province, and a statement will be furnished to the arbitrators of temporary allowance voted for the same cause, and they are to award a definite sum to be added to the liabilities to cover any probable continuation of such temporary allowances in future years.

(25.) The gratuities to old servants paid by the Senate by resolution last Session are to be charged to the late Province.

(26.) The Indian annuities payable by the laws of the late Province, and the new Indian annuities U. C., which have heretofore been voted annually, are to be capitalized at 5 per cent, and added to the liabilities.

(27.) If a contract has been entered into before July 1st, all work or other service performed under such contract is to be considered a liability of the late Province; but if there has been no contract, but only such instructions as, without prejudice to any individual, might have been countermanded, whether the service be since July 1st under the control of the general or the local government, the work performed or service rendered under such instructions since June 30th is not to be considered as chargeable against the late Province.

(28.) When a receipt or payment, after 30th June, would be credited or charged to an open account in the Ledger, in which Ontario or Quebec is specially interested, it is clear that the same rule must apply whether the account be on the liability side or the asset side of the statement of affairs, or whether it be a payment or a receipt which has to be dealt with. All such accounts amongst the assets consist mainly of moneys payable before 30th June, and if any sum were received by the Dominion after 30th June, and accounted for as modifying the amount of the debt, there does not appear to be any limit to the time when such a treatment of them would cease. But all these accounts are declared to be the property of Ontario and Quebec, and from 30th June, all cash is payable to them. For these reasons a separate account will be opened for all such funds, embracing the transactions which have come into the Dominion books since 30th June, and the amount of the joint debt will be ascertained from the accounts as they stood 30th June, and all subsequent transactions will be settled in cash after the arbitrators have made their award. It follows from this rule, that all appropriations of the late Province made chargeable against such accounts, must be paid by the Province interested, or if they have been paid by the Dominion, they will be charged as a cash transaction.

(29.) The account in the statement of affairs "Registration Fund, L. C.," is strictly analogous in its character to other assets transferred to Ontario and Quebec, being the debt incurred by a Fund supported by a local tax. It did not exist in 1866, from the accounts of which the Schedule of Assets transferred was compiled, or it would have doubtless been included. It may now be transferred with them.

(30.) The item "compensation to Revenue Inspector," is a very old account upon which \$1.50 has been collected during the last five years; it is very much analogous to other accounts transferred, and it may be transferred now, though not included in the Schedule.

(31.) The lands in each Province were surrendered to them, subject to existing Trusts, and the Dominion is bound to see that the Trusts are executed. A very large sum, upwards of \$1,700,000, remains outstanding on sales of Common School Lands, situated in Ontario, but in which Quebec has a joint interest, and the apportionment of this asset must be left to the arbitrators.

AUDIT OFFICE,

OTTAWA, July 27th, 1868.

SIR,—I am instructed by the Minister of Finance to give you notice that in one month from this date we shall be prepared to pay you the balance of the subsidy of the year 1867-8, left in the hands of the Dominion, in accordance with the arrangement made with the Minister of Finance, and communicated to you in my letter of May 7th.

I also give notice that we will pay the balance of the subsidy due July 1st, which was left in our hands, at the expiration of the three months for which it was left with us.

I have the honor to be,

Your obedient servant,

(Signed,) JOHN LANGTON,
Auditor.

The Hon. E. B. WOOD,
Treasurer, Toronto.

AUDIT OFFICE,

July 27th, 1868.

SIR,—I wrote to you this day, giving you notice that we should be prepared to pay you the balance of your subsidy left in our hands. It is to be hoped that before the second

payment is made we may have made such progress in the settlement of the debt that the exact sum due to you can be ascertained, even if it is not done before the first is payable. There are also, besides the subsidy from which the debt will be deducted, certain Trust Funds, the interest of which is payable to you or your order, viz.: The Grammar School Fund and the U. C. Building Fund, which, according to the principles laid down in the Report for Council communicated to you, represented, July 1st, 1867, respectively \$312,769.04 and \$1,512,008.96. It is to be presumed that the Common School Fund will be divided according to population, as the Educational Grants were always divided, in which case the share of Ontario would represent a capital of \$916,202. Altogether, \$2,740,980, upon which we are to pay 5 per cent interest semi-annually. The first half year's interest, payable January 1st, must, I conclude, be counted in with the other sums which we may be found to have been indebted to you at that date, and which go to make up the sum which I have given you notice we will pay you a month hence. The second half year's interest we are ready to pay you at any time.

I have the honor to be,

Your obedient servant,

(Signed,)

JOHN LANGTON,
Auditor.

The Hon. E. B. Wood,
Treasurer, Toronto.

Copy—Private.

OTTAWA.

11th September, 1868.

MY DEAR J. S. MACDONALD,—I hope in a few days to have a statement of the excess of debt, which the Arbitrators will have to divide, in such a shape that it can be officially communicated to you.

It has occurred to me that the best way of proceeding might be to send you a copy informally at first, so that your Government could look it over and point out any items which you might then call for revision.

I propose, after this is done, to have a statement laid before Council here, and, when approved of, that it should then be formally communicated to you and the Quebec Government.

If there are any points in which we cannot concur, then it would be the time for Quebec and Ontario formally to state their views.

I think it would be as well to elucidate as many points of difficulty by informal process as possible. However, I will be glad to be guided by your wishes and views as to this.

If I do not hear to the contrary, I will send you unofficially a copy in print in the course of a day or two.

I think you will find there is not much room for objection as to the condition of the accounts on the 1st July, 1867.

Of course, since that time, the arrears—both of payments and receipts—have to be governed by rules which will require to be laid down, and I think you will also find that these rules are based on fair principles.

I have endeavored to do this without reference to the way it may affect either Province, but I will be very glad to receive the expression of your own opinion on the subject. Mr. Dunkin, I think, acquiesced in the propriety of the course I suggest.

Pray let me have a note from you at your early convenience.

Believe me,

Yours very faithfully,
(Signed,)

JOHN ROSE.

The Hon. J. S. MACDONALD,
&c., &c., Toronto.

OTTAWA, 15th Sept., 1868.

MY DEAR MACDONALD,

I now enclose for your informal information a statement exhibiting the accounts on which it is proposed the arbitrators should act.

You will see it is necessarily divided into two parts, the one exhibiting the state of affairs as they stood on the 1st July, 1867, and the other laying down the principles on which the arrears both of payments and receipts since that day are to be dealt with.

I wish to call your special attention to the rules under number 1 and 13, respecting transactions since the 1st July, 1867.

It is by no means easy to say what the intention of the Union Act with reference to these points was, nor yet to apply the rule which in all cases will be perfectly just, as well to the Dominion, as to the two Provinces.

I will be glad to have the views of your Government upon these two points especially.

When we have narrowed the questions at issue to as few points as possible by informal discussions, the statement as it may be modified, will be formally communicated to you, when any formal objection you may think it proper to make, can then be considered by the Dominion Government.

I see nothing to prevent the arbitrators getting to work in very short time.

I am going to Montreal in a few days, but I, as well as Mr. Langton, will be ready to meet you or Mr. Wood at any time you may appoint.

The Hon. J. S. MACDONALD,
Toronto.

Yours very faithfully,
(Signed,) JOHN ROSE.

Principles upon which the Statement of Affairs of June 30, 1867, is to be revised in preparation for the Arbitration between Ontario and Quebec.

(1.) Where items appear upon both sides of the statement of affairs, which are clearly only parts of the same account, in which the same party alone is interested, the balance only is to be counted as an asset or liability, as the case may be.

(2.) Of the Debentures issued for the Aylmer Court House, \$19,674.97, and the whole \$8,955 issued for the Court House, Kamouraska, are only guaranteed by the Province of Canada to the extent that the Local tax collected shall be applied, as far as it goes, in the payment of interest, and redemption of the principal. These with the corresponding accounts on the other side, are to be struck out of the statement of affairs, the responsibility of collecting the tax and applying it being transferred to Quebec, with the proviso that if at any time hereafter the Government of Quebec shall not collect this tax, or apply it according to law, and the Dominion is called upon to make good the guarantee of the late Province, any sum so paid by the Dominion, shall be deducted from the next payment of subsidy to Quebec.

(3.) Debentures to the extent of \$188,000 were issued under an Ordinance of Lower Canada, for the Montreal Turnpike Trust, which were guaranteed, principal and interest, by the Province, but the Trust has always paid its interest punctually to the holders. These with the corresponding account on the other side, are to be struck out of the statement of affairs but with the proviso that, if at any time hereafter the Dominion is called upon to make any payment under the guarantee of the late Province, a similar sum shall be deducted from the payment of the subsidies of Ontario and Quebec, in such manner and in such proportion as the arbitrators may award,

(4.) Similar Debentures to the extent of \$481,426.67, the interest upon which is regularly paid, were issued by the Montreal Harbor Commissioners, and they are to be treated in the same way as the above.

(5.) The investments for Trust Funds are to be deducted from the capital of the funds which are invested in them, and the unpaid interest, which has been allowed to the funds and charged against the Quebec Turnpike Trust and the city of Hamilton on these investments, are to be similarly deducted from the corresponding Income Funds, the investments themselves with the coupons being handed over to the Provinces interested in the Funds; but, as Ontario and Quebec have a joint interest in the Common School Fund, the investments for that fund and the accrued interest thereon must be handed over to Ontario and Quebec conjointly, to be dealt with by the arbitrators.

(6.) The following liabilities of the late Province, in which Ontario and Quebec are interested, will be paid in cash to the proper parties, as they may be called for, viz:—

Court Houses, L. C.

Montreal District Council.

Municipalities Fund, U. C.

U. C. Grammar School Income Fund.

U. C. Improvement Fund.

Compensation to Seigniors, (the arrears.)

Township Indemnity, do.

(7.) Upon the following liabilities the Dominion will pay 5 per cent., semi-annually viz :—

Common School Fund.

U. C. Grammar School Fund.

Superior Education Fund, L. C., including the Superannuated Teachers' Fund and the Normal School Building Fund.

U. C. Building Fund.

(8.) Upon the following liabilities the Dominion will pay 6 per cent. semi-annually until further Legislation :—

Compensation to Seigniors, (the capital.)

Indemnity to Township, do.

(9.) The following Trust Funds will be retained in the hands of the Dominion, paying all legitimate charges, and allowing 5 per cent. on the balances, until all charges which may by law be payable out of them have fallen in, when the accumulated capital of the Funds will be paid in cash to the Municipalities Funds, U. C. and L. C., viz :—

Uncommuted stipends and widows' pensions, U. C.

Do do L. C.

(10.) The account "Crown Lands Suspense Account" is to be struck out of the Dominion ledger, each Province being responsible for satisfying any claims against each, either in money or in land, the arbitrators deciding how the responsibility is to be apportioned. If Ontario or Quebec shall fail to satisfy any just claimant, either in money or land, the Dominion will pay the claimant and charge it against the next payment of subsidy to the defaulting Province.

(11.) The Sinking Funds of the Imperial Guaranteed Loan, and the Consolidated Canadian Loan will be deducted from the gross liabilities at their par value.

(12.) Of the securities held in the Consolidated Fund Investment Account, the following pay their interest regularly, and are to be deducted from the gross debt at their par value, viz :—

Montreal Harbor.....	\$211,266 68
Montreal Turnpike Trust.....	67,200 00
Town of Cobourg.....	44,798 24
City of Toronto.....	18,883 00
	<hr/>
	\$342,147 92

The following are Railway securities and will be treated like other Railway debts, the decision in respect to which is at present reserved, viz :—

Grand Trunk Railway Bonds.....	\$243,406 33
Northern Railway do	243,333 33
	<hr/>
	\$486,739 66

The following are doubtful, and will be treated in the same way as the debt of the Bank of Upper Canada, which is at present reserved, viz -

City of Hamilton coupons.....	\$ 22,248 89
Quebec Turnpike Trust Bond.....	20,000 00
McGill College mortgage.....	47,990 00
Lord Selkirk and Boulton mortgage.....	13,900 00
Boulton do	9,828 00
Markland do	5,882 25
The Bank of Upper Canada Stock.....	750 00
	<hr/>
	\$120,599 14

The remaining item \$48,180, represents an amount advanced to the Bank of Upper Canada upon the security, £11,000 sterling of Canadian 5 per cent Bonds. The Bank having failed to redeem them in the time specified; these Bonds are the property of the Dominion, and may be deducted from the gross debt at their par value of \$53,533 33.

(13.) The Cash and available Banking Accounts will be deducted from the gross debt at par value, except the following:

Cash Suspense Accounts, composed of silver and other unbankable funds, will be deducted at a value to be placed upon it by the Treasury Board.

Crown Lands Department will be struck out of the statement of affairs of the Dominion, and Ontario and Quebec will be responsible for the liabilities, and collect the debts due to the late Crown Lands Department, subject to such arrangements as may be made by the arbitrators

The Statement of Affairs of the late Province of Canada, June 30th, 1867, as revised and analysed in accordance with the foregoing rules, will stand as follows:

Statement of Affairs of the late Province of Canada, June 30th, 1867, as revised and analysed in accordance with the accompanying Report.

LIABILITIES.

Direct Debt.....		\$62,734,797 63
Indirect debt.....	\$848,456 64	
Less Montreal Turnpike Trust.....	\$188,000 00	
" Montreal Harbour.....	481,426 67	
" Court Houses, Aylmer and Kamou- raska.....	28,629 97	
	<u>698,056 64</u>	
		150,400 00
Copyright duty.....	175 06	
Public Works, special account.....	12,711 95	
Indian Fund.....	1,810,110 61	
	<u></u>	1,882,997 62

MISCELLANEOUS LIABILITIES.

Court Houses, L.C.....	4,061 20	
Montreal District Council.....	3,912 05	
Municipalities Fund, U. C.....	302,553 66	
U. C. Grammar School Income Fund...	\$36,167 65	
Less, City of Hamilton, (part) unpaid interest.....	18,000 00	
	<u>18,167 65</u>	
U. C. Improvement Fund.....	5,180 04	
Compensation to Seigniors, (arrears)	72 25	
Township Indemnity, " (interest).....	130,347 39	
Liabilities in which Ontario and Quebec are interested, payable in Cash.....		464,294 24
Common School Fund.....	1,733,224 47	
Less Investments: Quebec Turnpike Trust....	\$58,000 00	
Arrears of interest.....	29,580 00	87,580 00
	<u></u>	<u>1,645,644 47</u>
U. C. Grammar School Fund.....	362,769 04	
Less Investments.....	50,000 00	
	<u></u>	312,769 04

U. C. Building Fund	\$1,578,806 96	
Less, Debenture Account... ..	\$36,800 00	
“ Investment.....	30,000 00	
“ City of Hamilton, (part), unpaid in- terest.....	10,800 00	
	<u>77,600 00</u>	
		1,501,208 96
L. C. Superior Education Fund.....	377,251 53	
Superannuated Teachers' Fund.....	2,700 88	
Normal School Building Fund.....	61,761 84	
	<u>441,714 25</u>	
Less, Superior Education In- come Fund.....	\$230,681 46	
“ Investments.....	29,400 00	
“ City of Hamilton, (pt) arrears of interest	3,600 00	
Education, Legislative grant	28,494 73	
do Advance acc't...	290 10	
	<u>292,466 29</u>	
		149,247 96
Liabilities in which Ontario and Quebec are interested, on which 5 per cent interest will be paid		3,608,870 43
Compensation to Seigniors, (capital).....	3,113,100 02	
Township Indemnity, (capital).....	756,710 00	
Liabilities in which Ontario and Quebec are interested, on which 6 per cent interest will be paid.....		3,869,810 02
Widows' Pensions, U.C.....	50,143 84	
do do L.C.....	4,126 31	
Liabilities which will be retained at present, and afterwards paid in cash.....		54,270 15
Banking Accounts.....	3,209,163 85	
Less, Crown Lands Suspense Account.....	112,748 63	
		3,096,415 22
Consolidated Fund.....	7,232,730 60	
Add Crown Lands Suspense Account.....	112,748 63	
Difference on par value of Canadian Bonds taken from Bank of Upper Canada.....	5,353 33	
	<u>7,350,832 56</u>	
Less, Seigniorial Act of 1859.....	\$5,193,820 78	
Consol. Fund Suspense Account.. ..	24,873 69	
Crown Lands Department.....	253,089 76	
Trust Fund Advance Account.....	1,468 60	
	<u>5,473,252 83</u>	
		1,877,579 73
Total Liabilities.....		\$77,679,435 04
Less, Consolidated Fund.....		1,877,579 73
		<u>Gross Debt.....</u>
		\$75,801,855 31
Sinking Funds.....	\$1,888,555 58	
Consolidated Fund Investments.....	395,681 25	
Banking Accounts.....	1,461,251 96	
	<u></u>	3,745,488 79

Net Debt.....		\$72,056,366 52
Allowed by Union Act.....		62,500,000 00
Excess of Debt as on June 30, 1867, irrespective of arrears since that date, and the capitalization of Pensions and Indian Annuities.....		\$9,556,366 52
ASSETS.		
Sinking Funds.....		\$ 1,888,555 58
Public Works.....	\$27,605,989 53	
Purchase of Tug Steamers.....	115,810 00	
		27,721,799 53
Grand Trunk Railroad.....	15,142,633 34	
Great Western Railroad.....	\$2,810,500 00	
Less, Sinking Fund.....	67,828 66	
	2,742,671 34	
Northern Railroad.....	2,311,666 67	
		20,196,971 35
Railways Capital.....		
Grand Trunk Railroad.....	10,457,458 01	
Great Western Railroad.....	1,130,747 50	
Less, Account Current.....	886 47	
	1,129,861 03	
Northern Railroad.....	1,433,760 23	
		13,021,079 27
Railways, Arrears of Interest.....		
Grand Trunk Bonds in Consolidated Fund Investment Account.....	243,406 33	
Northern, do do do.....	243,333 33	
Grand Trunk, Special Account.....	7,302 18	
Northern do.....	30,976 70	
		525,018 54
Miscellaneous Railway Debts.....		
Montreal Harbour Commission.....	12,950 00	
do.....	7,000 00	
Cataragui Property.....	6,579 20	
		26,529 20
Miscellaneous Assets.....		
Law Society, U. C., Debenture Account.....	16,000 00	
do Account Current.....	140,015 61	
Montreal Court House, Debenture Account.....	95,600 00	
do do Account Current.....	18,996 21	
Aylmer Court House, Debenture Account.....	2,000 00	
do do Account Current.....	1,239 70	
Kamouraska Court House, Account Current.....	201 27	
Agricultural Societies, U. C.....	4,000 00	
Quebec Fire Loan (arrears).....	264,254 65	
Building and Jury Fund, L. C.....	116,475 51	
Municipalities Fund, L. C.....	484,244 33	
Municipal Loan Fund, U. C.....	\$7,300,000 00	
Less, Sinking Fund.....	429,548 63	
	6,870,451 37	
Municipal Loan Fund, L. C.....	2,428,140 00	
Less Sinking Fund.....	271,339 33	
	2,156,800 67	
Municipal Loan Fund, U. C., Interest.....	3,517,018 32	
Less, Seigniorial Indemnity.....	3,304,249 55	
	212,768 77	
Municipal Loan Fund, L. C., Interest.....	782,735 34	

Assets, the Property of Ontario and Quebec.....		11,165,783 43
Indemnity to Revenue Inspectors, U. C.....	2,426 41	
Registration Service, L. C.....	2,524 38	
Assets not in Schedule, but of the same character as those transferred to Ontario and Quebec.....		4,950 79
Ontario and Quebec Suspense Account.....		1,214 99
Bank of Upper Canada.....		1,150,000 01
Investments of Consolidated Fund to be treated like Bank U. C.....		120,599 14
Ditto to be deducted from Debt.....		395,681 25
Banking Accounts.....	1,714,341 72	
Less Crown Lands Department.....	253,089 76	
		1,461,251 96
		<u>\$77,679,435 04</u>

Principles upon which all transactions since June 30, 1867, will be introduced into the Statement of Affairs of the late Province :

(1). Whenever a service has been performed, or a debt incurred, before June 30th, 1867, which, when paid, would be charged against Consolidated Fund, or any open account in the ledger, in which Ontario and Quebec are not specially interested, if the payment was made after that date, it is to be charged against the late Province, whether it is mere current expenditure, or whether it leaves a valuable asset behind, as stores or public works. And receipts due before June 30th, under similar circumstances, are to be credited to the late Province.

(2). Balances of Appropriations chargeable against Consolidated Fund, which remained unexpended June 30th, are to be treated as liabilities of the late Province only in those cases where there was a definite grant, a balance of which was left in the hands of the Province, and not when they were only meant to cover current expenditure, which might or might not be required. The Balances of Appropriations, June 30th, which come under this definition are the following, and are payable in cash, viz :—

Common School Grant, U. C.....	\$126,999 87
do do L. C.....	58,000 00
Colonization Roads, U. C.....	65,939 00
do do L. C.....	5 692 11
Agricultural Association, L. C.....	4,000 00
Agricultural Instruction, U. C.....	100 00
do do L. C.....	27 00
University Lying-in Hospital, Montreal.....	480 00
St. Hyacinthe Hospital.....	320 00
Indigent Sick, Quebec.....	8 15
Pensions.....	280 00
	<u>\$261,486 13</u>

(3). Interest on public debt, and commission and charges thereon, due July 1st, are to be charged against the late Province, and interest and charges thereon falling due after July 1st, are to be charged against the Province and the Dominion, in proportion as the period in respect of which they accrued was before or after July 1st.

(4). The late Province is to be credited with the discount at which investments were purchased for the Sinking Fund, after June 30th, to the extent to which those investments were required to be made, up to that date; and the Province is to be charged with the discount at which investments might have been purchased if the £50,000 Sterling, remitted after June 30th, had been remitted in cash instead of bonds.

(5). The Province is to be credited with the premium at which the balance of the investments of the Imperial Guaranteed Loan Sinking Fund will be disposed of in December next.

(6). The Province is to be charged with one-half of the salaries of the Prison Inspectors in 1867-8, and with such a proportion of their expenses as they may certify were incurred in inspecting institutions under the control of Ontario and Quebec.

(7). All arrears still due by collectors and public accountants, or by any other persons, in respect of services which are now under control of the local Governments, shall be handed over to Ontario and Quebec conjointly, to be dealt with by the arbitrators, and shall not be taken into account in the settlement between the Dominion and the late Province. All arrears due by collectors and other accountants, in respect of services under the control of the Dominion, shall be assumed by the Dominion and credited to the late Province at their full value, if the accountants were still in the service of the Dominion, July 1st, 1867; but if they had ceased to be in the service at that date, such arrears shall be valued by the Treasury Board, and shall be credited to the late Province at such valuation.

(8). All pensions, which on July 1st, 1867, were payable to any person under laws of the late Province, and all pensions not guaranteed by law, but which had continued to be paid annually by votes in the estimates, are to be valued by capitalizing them according to the age of the pensioners, by the English Government Annuity Tables at 5 per cent., and such capital is to be added to the liabilities of the late Province.

(9). Additional pensions voted during the late session in consequence of the casualties arising from the Fenian inroads, having been granted in order to carry out an Address of the Legislative Assembly of the late Province, are to be similarly capitalized and added to the liabilities.

(10). Gratuities and compensation voted during the late Session in consequence of the Fenian raids shall be charged against the Province, and a statement will be furnished to the Arbitrators of temporary allowances voted for the same cause, and they are to award a definite sum to be added to the liabilities to cover any probable continuation of such temporary allowances in future years.

(11). The gratuities to old servants, paid by the Senate by resolution last Session, are to be charged to the late Province.

(12). The Indian annuities payable by the laws of the late Province, and the new Indian annuities, U. C., which have heretofore been voted annually, are to be capitalized at 5 per cent., and added to the liabilities.

(13). If a contract has been entered into before July 1st, all work or other service performed under such contract is to be considered a liability of the late Province; but if there has been no contract, but only such instructions as, without prejudice to any individual, might have been countermanded, whether the service be since July 1st under the control of the General or the Local Government, the work performed or service rendered under such instructions since June 30th is not to be considered as chargeable against the late Province.

(14). When a receipt or payment, after 30th June, would be credited or charged to an open account in the ledger, in which Ontario or Quebec is specially interested, it is clear that the same rule must apply whether the account be on the liability side or the asset side of the statement of affairs, or whether it be a payment or a receipt which has to be dealt with. All such accounts amongst the assets consist mainly of moneys payable before 30th June, and if any sum were received by the Dominion after 30th June, and accounted for as modifying the amount of the debt, there does not appear to be any limit to the time when such a treatment of them would cease. But all these accounts are declared to be the property of Ontario and Quebec, and from 30th June, all cash is payable to them. For these reasons a separate account will be opened for all such funds, embracing the transactions which have come into the Dominion books, since 30th June, and the amount of the joint debt will be ascertained from the accounts as they stood 30th June, and all subsequent payments or receipts will be charged or credited to the Province interested, after the arbitrators have made their award; excepting only in the case of those accounts which, by section 6 of the principles in which the statement of affairs is to be revised, are declared to be payable in cash, and of those enumerated in section 9 which are to be retained for the present by the Dominion. It follows from this rule, that all appropriations of the late Province made chargeable

against such accounts, must be paid by the Province interested, or if they have been paid by the Dominion, they will be charged as a cash transaction.

(15). The account in the statement of affairs "Registration Fund, L. C.," is strictly analogous in its character to other assets transferred to Ontario and Quebec, being the debt incurred by a fund supported by a local tax. It did not exist in 1866, from the accounts of which the Schedule of Assets transferred was compiled, or it would have doubtless been included. It may now be transferred with them.

(16). The item "Compensation to Revenue Inspectors," is a very old account upon which only \$1.50 has been collected during the last five years; it is very much analogous to other accounts transferred, and it may be transferred now, though not included in the Schedule.

(17). The lands in each Province were surrendered to them subject to existing trusts, and the Dominion is bound to see that the trusts are executed.—A very large sum, upwards of \$1,700,000, remains outstanding on sales of Common School Lands, situated in Ontario, but in which Quebec has a joint interest, and the apportionment of this asset must be left to the arbitrators.

TREASURY DEPARTMENT, ONTARIO,
TORONTO, 15th September, 1868.

SIR,—Referring to your letter of the 27th July, I beg to remind you that as yet I am without the statement of accounts between the Dominion and Ontario.

Will you be good enough to forward it without delay. In making it up, I would refer you to my letter to you of date the 25th June last.

I have the honor to be, Sir,

Your obedient servant,

(Signed,) E. B. WOOD.

John Langton, Esq.,
Auditor, Ottawa.

AUDIT OFFICE, OTTAWA,
September 17th, 1868.

SIR,—I have the honor to acknowledge receipt of your letter of the 15th instant, in which you refer me to your letter of June 25th. It must be obvious to you, that it is impossible for me to give you a statement of the debts and assets, such as you wish for, when the principle upon which such a statement is to be made out is still under consideration between the Governments of the Dominion and of Ontario. Mr. Rose has communicated to you a report which is before Council, laying down the rules by which it is proposed that such a statement as you ask for should be made out. It is almost identical with one which I communicated to you unofficially some weeks ago. As soon as the two Governments have agreed to adopt a basis of the settlement, it will not take long to prepare it in detail; but, until I am instructed how the debt is to be ascertained, it is obvious that I can make no statement of it.

Your obedient servant,

(Signed,) JOHN LANGTON,
Auditor.

The Hon. E. B. Wood,
Treasurer.

(Private.)

TREASURY DEPARTMENT, ONTARIO,
TORONTO, Sept. 19th, 1868.

DEAR SIR,—I am very much in want of the revised and corrected statement of accounts between Ontario and the Dominion up to the present time. You promised it ere this in your official letters. I have written so many times for it, that I am almost ashamed to repeat it,

Pray let me urge you without any further delay to send up these long promised accounts. Our Legislature will meet the 2nd of November next, and you will see at once the awkward position I am placed in without these accounts. I repeat, I want them much.

Yours faithfully,

(Signed,)

E. B. WOOD.

JOHN LANGTON, Esq.
Auditor General &c. &c.,
Ottawa.

The undersigned has the honor to submit herewith a Statement of the Affairs of the late Province of Canada as at 30th June, 1867, for the purpose of being laid before the arbitrators named under Sec: 142 of the British North America Act for the adjustment and division of the debts, credits, liabilities, properties and assets of Upper and Lower Canada.

And he further submits the Report of the Board of Audit as to the principles on which the aforesaid statement has been prepared; and likewise their recommendation as to the rules which should govern all transactions since the 30th June, 1867, affecting the accounts between Upper and Lower Canada.

He recommends that the statement and rules be approved of by His Excellency the Governor General in Council, and transmitted to the Arbitrators for their guidance.

(Signed,)

JOHN ROSE.

Ottawa, September 27, 1868.

Copy.

TREASURY DEPARTMENT, ONTARIO,
TORONTO, November 3rd, 1868.

SIR,—I have the honor to request that you issue a warrant in favor of the Treasurer of Ontario for an amount approximating the sum received by the Government at Ottawa, up to the first of November instant, for marriage licenses, law fee fund, law fees, consolidated fund, and law society, which, when in Ottawa the other day, I learned stand in your books as follows:—

Marriage Licenses.....	\$25,253 00
Less.....	2,512 00
Belonging to the late Province of Canada and included in \$11,225, credited to Ontario prior to 1st January last.....	\$22,741 00
Account of Law Fee Fund.....	33,677 89
“ Law Fees Consolidated Fund.....	22,634 68
“ Law Society.....	12,825 87
“ Law Fees undistributed from 1st July to 1st November, 1868.....	21,100 57
	<u>\$112,980 01</u>

The above may not be precisely accurate, but it cannot be far wrong.

I am in want of this money at once. I therefore hope a warrant will issue immediately; any question of interest on the above sums can be adjusted hereafter.

I have, &c. &c.,

(Signed,)

E. B. WOOD.

JOHN LANGTON, Esq.,
Auditor, Ottawa.

OTTAWA, 2nd November, 1868.

MY DEAR WOOD,

May I beg to express the hope that you and the Treasurer of Quebec will be able, when you meet in Toronto, either finally to accept the statement of debt as furnished, or

to place the Dominion Government formally in possession of the points in respect of which you have objections.

As I stated in the course of our interview, when I had the pleasure of seeing you here, there can, I think, be but three items regarding which any serious discussion could arise, and on consideration you will, I hope, be disposed to believe that these three items have been put on the right footing.

At all events it is obviously necessary that we should have an adjustment, both in the interest of the Province and the Dominion.

We cannot begin to prepare our Public Accounts until a conclusion is arrived at. I have deferred asking my formal adjudication by the Council here, until your objections were stated; and if you have any, I trust you will communicate them to us as soon as possible.

Yours very faithfully,

(Signed,)

JOHN ROSE.

The Hon. E. B. Wood,
Treasurer of Ontario.

A similar letter was posted to the Treasurer of Quebec.

—
TREASURY DEPARTMENT, ONTARIO,
TORONTO, 9th November, 1868.

SIR,—In answer to your letter of the 2nd instant referring to the debt of the late Province of Canada, I have the honor to say that, since the "Statement of Affairs" to which you refer was handed to me, I have used every possible exertion to come to an agreement with the Ottawa Government in respect of the various important questions involved, in order that the amount of the debt might be definitely settled, and the assets and liabilities of the late Province of Canada clearly ascertained, so that the arbitrators might, with the least possible delay, enter upon the reference and make their award. In the interviews which I have had the honor to have had with you and the Auditor I pointed out, that, before the Government of Ontario could accede to the "Statement of Affairs," and the principles and rules furnished to me, certain changes would have to be made, which I was disposed to hope would be accepted by the Government at Ottawa. Of course I had no power to bring about these alterations. That rested entirely with you and your colleagues. I could only express to you the views of the Government at Toronto. It seems, however, from the tenor of your letter, that it is somewhat doubtful if we shall after all be able to come to an agreement on the questions at issue. I, therefore, take the liberty of stating to you the views entertained in respect of the "Statement of Affairs," the principles upon which it is said to be made up, and the rules proposed to be applied to transactions subsequent to 30th June 1867, by the Government at Toronto.

LIABILITIES.

1. *Indirect Debt*.—I can see no reason why any portion of the "Indirect Debt" should be counted a liability. Every one of the institutions named in the "Statement of "Indirect Debt" are bound by law, and are abundantly able to pay off the several debts for which the Dominion is only contingently liable; and I therefore submit that they should be struck out of the Statement altogether, with the understanding, that if ever the Dominion should be called upon to pay, and did pay anything on account of these debts, it should be repaid to it by the Provinces.

2. *Public Works—Special Account*.—I can find no explanation of this item in the Public Accounts. I therefore strike it out.

3. *Trust Funds*.—I think that these Trust Funds should be charged as a liability to the full amount, and that the Dominion should retain the Investments, which at their par value, under Section 107 of the British North America Act, should go in reduction of the debt of the late Province.

4. *Consolidated Fund*.—Nothing results from the introduction of this Fund, one way or the other. I therefore strike it out altogether.

DEDUCTIONS.

5. *Consolidated Fund Investment Account.*—In your "Statement of Affairs" you deduct only a part of the Consolidated Fund Investments. I fail to see any reason for this discrimination. The B. N. A. Act says, these "securities for money shall be the property of Canada, and shall be taken in reduction of the amount of the respective debts at the Union." I, therefore, treat them all alike, and deduct the amount of all these "securities for money" from the debt of the late Province of Canada.

6. *Bankers' Balances.*—For reasons which seem to be conclusive, these balances should be deducted at par as they stand in the Public Accounts on the 1st July, 1867. The B. N. A. Act was framed in contemplation of these "Bankers' Balances" and other "securities for money," whether good or bad, being taken by the Dominion in reduction of the debt. It makes no reservation or limitation, whence it may be even argued that they are to be taken at any other than their par value, as they should stand in the Public Accounts on the 1st July, 1867. I have deducted them accordingly.

7. *Great Western Railway.*—I have so often explained the views of the Government at Toronto in respect of the debt owing by the Great Western Railway Company, that I abstain from going into any lengthened argument. It is contended that on a fair and proper construction of sections 107, 108, 109 and 110 of the British North America Act, the debt owing by the Great Western Railway Company is the property of the Dominion, but "*shall be taken in reduction of the debt of the late Province of Canada.*" It must always be borne in mind that Ontario and Quebec were to be liable only for the excess of debt over \$62,500,000. Suppose these Provinces were at once to pay off the debt and interest created on account of the Great Western Railway Company, the debt of the late Province would then be diminished by that amount. Or, suppose the Great Western Railway Company had themselves paid the interest (\$1,130,747.50), as it matured, which they were abundantly able to do. It is manifest in either case the debt of the late Province would be lessened, in the one case by \$3,873,418, and in the other by \$1,130,747.50. *What difference in principle can there be, now, that it is to be paid?* Again, suppose Ontario and Quebec were to assume that portion of the debt created on account of the Great Western Railway Company, and relieve the Dominion from it altogether? Or, suppose Ontario and Quebec were at once to advance the money and pay off that portion of the debt, can any one argue that in either of these cases, the asset, viz., the debt owing by the Great Western Railway Company, would not belong to Ontario and Quebec? These considerations, and many others which they suggest, aside from the fair and equitable interpretation of the British North America Act, have forced this Government to the conclusion that they would be wanting in their duty, as well to the Province of Ontario as to the Dominion, if they did not insist that the Great Western Railway debt shall either be handed over to Ontario and Quebec, or shall be taken by the Dominion in reduction of the debt of those Provinces. I have treated it in the latter way.

I deal with the special account of the Grand Trunk Railway Company of Canada and the Northern Railway in the same way, and for the same or similar reasons.

I am not unaware that there are many other debts to which I have not alluded, and which, it might be claimed, should also go in reduction of the debt. But these, by special legislation, sheer neglect, and other causes, are perfectly worthless, and it would be unreasonable to ask to have them allowed in reduction of the debt.

8. *Bank of Upper Canada.*—The debt owing by the Bank of Upper Canada originates in a "Banker's Balance," and, as I am informed, may be realized at any time by a Writ of Extent. The Dominion Government can, if they choose, make it a good debt. If, from motives of public policy, or any other reason, they do not see fit to do it, Ontario and Quebec, who have not the power or right to interfere, ought not to suffer. Besides, it is both a "Banker's Balance" and a "Security for money." I have therefore set this down in reduction of the debt.

9. In conformity with the views above expressed, I have prepared a statement of "Liabilities" and "Deductions" which I herewith enclose, and which I venture to hope will meet your approval.

10. In regard to the principles upon which the "Statement of Affairs" handed to me was made up, I have to say that I see no objection to the 9th, 10th and 11th paragraphs. The proposition in the 7th paragraph has nothing to do with the subject matter in hand, and can-

not be entertained at present by the Government at Toronto. It may at some future time form the subject of independent negotiation between the Governments.

The proposition in the 8th paragraph affects Quebec alone, and requires no observation from me. All the rest are swept away by the simple and plain course I have adopted in making up the "Liabilities" and "Deductions," and therefore call for no further remarks.

11. In respect of the proposed Rules governing transactions since June 30th, 1867, I have to make the following observations:—

RULE 1.

I think it would be unsafe to adopt this Rule as unalterably applicable to all cases that may arise. It seems to me each item as it comes up will have to be treated by itself. For example, suppose, just before 1st July, 1867 a large amount of Military Stores, etc., were ordered, but which were not delivered till long subsequent. Surely, in such a case, Ontario and Quebec should not be charged with the payment of them. I see no objection to the Rule going to the extent of ordinary expenditure; beyond that, I see great danger. Of course, payments due before 30th June, 1867, but received afterwards, should be credited to the late Province. With these modifications, I see no objection to the Rule.

RULE 2.

I accept this Rule, provided there be added the unexpended appropriations for surveys, and for the repairing of the Parliament Buildings, and rebuilding the Lieutenant Governor's residence, Toronto.

RULES 3, 4 AND 5.

I see no objection to these Rules.

RULE 7.

To the first part of this Rule I wish to add, after the word "Province" in the 5th line, "Provided the said parties were retained in the service of the Local Governments, and, excepting from the operation of this Rule, debts due to the late Province by Crown Land Agents prior to 30th June 1867, and not then in the service of the late Province; and, except as aforesaid, all arrears due by collectors, and other accountants, in respect of services under the control of the Dominion, shall be assumed by the Dominion, and credited to the late Province at their full value, if the accountants were in the service of the Dominion, July 1st, 1867"—striking out the residue of the rule.

RULE 8.

If capitalization takes place it should be at 6 per cent. All pensions, except these payable by law, should be struck out. The latter must be left to Ontario and Quebec to deal with.

RULES 9, 10, 11.

These Rules cannot be acceded to.

RULE 12.

Explanations may remove any objections to this Rule. I do not understand how the interest accruing on Indian Funds needs supplementing by a "grant."

RULE 14.

To the general principles laid down in this Rule I see no objection. I think they are correct. But it will have to be modified in accordance with the statement of "Liabilities" and "Deductions" herewith.

RULES 15 AND 16.

These are matters about which no differences should arise. The Dominion can easily arrange them by negotiation with the respective Provincial Governments.

RULE 17.

I see no objection to the proposition contained in this rule,

12. Having thus put you fully in possession of the views of the Government at Toronto, on all the important questions suggested by the papers handed to me, permit me to express the hope that your government will, with as little delay as convenient, so act in the premises that the Provincial Governments may know for a certainty whether or not it is possible for the three Governments to agree upon the amount of the debt of the late Province of Canada, and what Assets and Liabilities are to form the subject matter of arbitration; so that in the event of their being no probability of a speedy agreement, the question may be submitted to the respective Legislatures to devise some way for a solution of the difficulty.

I have the honor to be, Sir,

Your obedient servant,

(Signed,)

E. B. WOOD.

Hon. JOHN ROSE,

Minister of Finance, Ottawa.

LIABILITIES.

Direct Debt		\$62,734,797 63
Copyright duty.....		175 06
Indian Fund.....		1,810,110 61
Court Houses, L. C.....	\$4,061 20	
Montreal District Council.....	3,912 05	
U. C. Municipalities Fund.....	302,553 66	
U. C. Grammar School Income Fund	36,167 65	
U. C. Improvement Fund	5,180 04	
Compensation to Seigniors, arrears.....	72 25	
Township Indemnity.....	130,347 39	
		482,294 24
Common School Fund.....	1,733,224 47	
U. C. Grammar School Fund.....	362,769 04	
U. C. Building Fund.....	1,578,808 96	
		3,674,802 47
L. C. Superior Education Fund.....	377,251 53	
Superannuated Teachers' do	2,700 88	
Normal School Building Fund.....	61,761 84	
		441,714 25
Deduct Loan from Superior Education		
Income Fund.....	230,681 46	
Legislative Grant.....	28,494 73	
Advance Account.....	290 10	259,466 29
		182,247 96
Widows' Pensions, U. C.....	50,143 84	
Do do L. C.....	4,126 31	
		54,270 15
Compensation to Seigniors, Capital.....	3,113,100 02	
Township Indemnity.....	756,710 00	
		3,869,810 02

Banking Accounts.

Glyn, Mills & Co.....	\$513,352 15	
Baring Bros.....	283,432 06	
Bank of Montreal, Special Account...	2,000,000 00	
Law Stamps, U. C., undistributed...	2 39	
Bank of Montreal.....	294,416 67	
Services.....	50,211 95	
		3,096,415 22
Bank of U. C., Account Debentures.....		5,353 33
		<u>\$75,910,276 69</u>

DEDUCTIONS FROM LIABILITIES.

Sinking Fund:

E. J. 5 per cent Stock.....	\$681,333 32	
Consolidated Canadian Loan.....	1,207,222 26	
		<u>\$1,888,555 58</u>

Consolidated Fund Investment Account:

Montreal Harbour.....	211,266 68	
do T. Trust.....	67,200 00	
Town of Cobourg.....	44,798 24	
City of Toronto.....	18,883 00	
Grand Trunk Railway Bonds.....	243,406 33	
Northern Railway Bonds.....	243,333 33	
City of Hamilton Coupons.....	22,248 89	
Quebec T. Trust Bond.....	20,000 00	
McGill College Mortgage.....	47,990 00	
Lord Selkirk and Boulton Mortgage.....	13,900 00	
Boulton Mortgage.....	9,828 00	
Markland do	5,882 25	
Bank Upper Canada Stock.....	750 00	
do do Bond.....	48,180 00	
		<u>997,666 72</u>

U. C. Grammar School Income Fund:

Interest on Investment.....	18,000 00
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Common School Fund:

Quebec Turnpike Trust.....	58,000 00	
Arrears of Interest on do.....	29,580 00	
		<u>87,580 00</u>

U. C. Grammar School Fund:

Hamilton Debentures.....	50,000 00
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U. C. Building Fund:

Hamilton Debentures.....	30,000 00	
Arrears of Interest on do.....	10,800 00	
		<u>40,800 00</u>

Superior Education Fund:

Huron and Bruce Debentures.....	19,400 00	
Hamilton Debentures	10,000 00	
Arrears of Interest on Debentures.....	3,600 00	
		<u>33,000 00</u>

Montreal Harbor Commissioners.....	\$19,950 00
Cataraqui Property.....	6,579 20
Tug Service below Quebec.....	115,810 00
Indemnity to Revenue Inspectors, U. C.....	2,426 41
Registration Service, L. C.....	2,524 38

Bank Balances :

As per Statement in Public Accounts, 1867, part 1, page 3.....	1,714,341 72
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Great Western Railway :

Debenture Account.....	2,810,500 00	
Less, Sinking Fund.....	67,828 66	
		2,742,671 34
Interest.....	1,130,747 50	
Less, Account Current.....	886 47	
		1,129,861 03
		3,872,532 37

Grand Trunk Railway :

Special Account.....	7,302 18
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Northern Railway :

Special Account.....	30,976 70
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Bank of Upper Canada :

Balance.....	1,150,000 01
	\$10,038,045 27

AUDIT OFFICE, OTTAWA,
November 9th, 1868.

SIR,—In consequence of your letter of the 3rd inst., I have caused a warrant to be issued in your favor, on your general account, for \$40,000.00. You ask for the sums we have received on account of Law Fee Fund and Consolidated Fund Law Fees, but you must be aware that, until legislation takes place upon the subject, these two belong to the Dominion, and I have no authority to pay on account of them. The revenues of the Law Society and the U. C. Building Fund are differently situated. They belong to certain assets, the property of Ontario and Quebec conjointly, and as there can be no doubt that the Arbitrators will award them to Ontario, I might have paid them you, but there are some charges of collection against the same accounts, and until the general settlement is made, I do not think it would be convenient to make any partial settlement of one account. I therefore have caused a warrant to issue for \$40,000.00, which is about the produce of the two funds mentioned, and as there is no doubt that we shall still owe you money, I have no objection to give you a further sum if you want it, the whole to be subject to the ultimate settlement.

I have the honor to be

Your obedient servant,

(Signed,) JOHN LANGTON,
Auditor.

The Hon. E. B. Wood,
Treasurer, Toronto.

TORONTO, 9th November, 1868.

MY DEAR ROSE,—As we agreed, I write to you the first instant I can, in part answer to your note of the 2nd, handed me, you will remember, as I was about leaving Ottawa for further conference with Mr. Wood. I hardly need to repeat, though I do so to avoid possibility of misunderstanding hereafter, that what I write of course cannot place you "*formally*" in possession of the points in respect of which" I have objection. I am not yet myself formally in possession of anything; your communication of the draft-statement having been expressly informal and confidential; and much, even, of the confidential information sought by me as to it, through Mr. Drolet, not having as yet reached me, I can therefore here do no more than call your attention, informally and in the fewest words possible, to certain points that in the present state of my information strike me as of chief importance,—and most (if not all) of which we have already more or less discussed by word of mouth.

I cannot assent to the reservation of decision proposed with regard to the Railway debts, or at all admit that the 108th section of the Union Act takes them out of the purview of the 107th. On the contrary, at the proper time, should the Government of the Dominion conclude on this head adversely to the Provinces, I shall have to urge strongly what I conceive to be their fair claim. I may add, in reference more particularly to three items of the four making up what are classed as "Miscellaneous Railway Debts," and which amount to \$517,-716.36 of the total of \$525,018.54 so classed, that I do not well see how our claim can be so much as objected to.

Nor can I at all see the right of the Dominion to hold the Bank of Upper Canada item, \$1,150,000.01 as not falling under the 107th section of the Union Act. This amount, also, I hold, has to be deducted from the debt.

A number of other sums are, in my opinion, to be treated in the same way; although I cannot assume to specify them from the statement, in the shape in which it now stands.

In fact, I must here again call your attention to what I think (as I have repeatedly had occasion to say to you) is a very grave omission in the whole statement. The 113th section of the Union Act constitutes the assets specified in schedule four, the unqualified "property of Ontario and Quebec conjointly." What these assets are, is therefore primarily a question between the Dominion and the two Provinces conjointly; secondarily only, and for the mere purpose of subsequent division and adjustment,—one to interest each Province apart from the other. But I fail to find in the paper handed me, any indication of the view taken or likely to be taken by the Government of the Dominion as to this question. You may remember that the other day, when I was last bringing this omission to your notice, Mr. Langton answered your enquiry and mine by pointing to the assets items amounting to \$11,165,733.43, as being *the* items covered by this schedule. If such is meant to be the view taken of them, it at any rate ought to be distinctly stated, and not left to uncertain inference. But, in fact, there is in them no mention of, or reference to, quite a number of the heads of items specified in the schedule. And after the closest study I have been able to give to the whole paper, I am unable even to infer the interpretation meant to be given by it to the schedule. It seems to me to have been wholly left out of sight, and this oversight is the more prejudicial from the fact that the wording of the schedule is in more respects than one less clear, not to say less correct, than might have been desired.

I cannot see how any statement of the debt,—and much less how any statement of the deductions from the debt under the 107th section—can be made out, except upon a distinct specification of what this schedule and the 113th section are understood to cover. Doubt on this head between the Dominion and the two Provinces cannot be left for solution by arbitration between the two Provinces alone.

As to the proposed rules 1, 13 and 14, on pages 5 and 6, I am not yet in possession of the information Mr. Drolet was to receive (and I dare say may have received after I left Ottawa) relative to the principal amounts anticipated as likely to fall to the charge of the Provinces under those rules. But I certainly remain, so far, under a strong impression that the proposed rules by no means meet the object of an ascertainment of the amount of the debt "*at the Union*," which is the sole matter in question, so far as they are concerned. And even apart from this, I must repeat that at least as regards the Ottawa Buildings, Militia stores and any other matters of that kind, these rules in my opinion are altogether inapplicable and wrong.

Rule 11 on page 6, I hardly need repeat is utterly out of the question.

I could have wished to make this note more complete, had it been in my power. But I feel as strongly as you can do, the importance of early official action as to this whole matter, and I therefore hasten to write in this incomplete manner.

Should you think that any further informal communications can expedite the business, I shall gladly receive and answer them. And on learning officially the view taken by the Government of the Dominion, I shall with all possible despatch ascertain that of the Government of Quebec and correspond or otherwise act as it may require.

Believe me,

My dear Rose,

Yours very faithfully,

(Signed,)

CHRISTOPHER DUNKIN.

The Hon. J. ROSE, M. P.

AUDIT OFFICE, November 17, 1868.

SIR,—The Minister of Finance has referred your letter of the 9th instant to me, requesting to have a statement of the assets held by the Dominion to be included in the 4th schedule of the Union Act. I have the honor to repeat the information I have given already to yourself verbally, and to Mr. Drolet who applied to me upon the same subject.

The schedule was apparently framed on the Public Accounts of 1866 or of 1865; those of 1867 not having at that time been published. Three of the items included in the schedule had in the meantime disappeared out of the Statement of Affairs as separate items, viz:—

University Permanent Fund, \$1,220.63, which was transferred to Consolidated Fund Suspense Account as being no debt really due by the University.

Royal Institution, \$7,990, was transferred to Consolidated Fund Investment Account, being included under the same general mortgage by McGill College which covered the rest of their debt to the late Province.

Temiscouata Advance Account, \$3000, was transferred to the Township Indemnity Account, being an advance upon the Seigniorial Indemnity before it became payable. This amount did not even appear in the Public Accounts of 1866, so that those of 1865 were apparently the basis of the schedule.

All the rest of the items in the schedule are included in the sum of \$11,165,783.43 under the head assets the property of Ontario and Quebec in the revised Statement of Affairs.

I have the honor to be,

Your obedient servant,

(Signed,)

JOHN LANGTON,

Auditor.

The Hon. C. DUNKIN,
Quebec.

FINANCE DEPARTMENT, CANADA.

The Minister of Finance has the honor to refer to his former report under date of the 27th September, 1868, submitting a Statement of Affairs of the late Province of Canada, and in connection therewith to bring under the notice of Your Excellency the accompanying letter from the Treasurer of the Province of Ontario and the reply of the undersigned thereto.

The Minister of Finance communicated the statement in question unofficially to the Treasurers of the Provinces of Ontario and Quebec, intimating to them that he would be glad to be put in possession, equally unofficially in the first instance, of any objections they might have to make and which might affect his recommendation to Your Excellency before submitting these statements for the formal consideration of Council.

The undersigned has had frequent discussions with the Treasurers of Ontario and Quebec respectively and has received from the former the letter submitted herewith.

The communications with the Treasurer of Quebec have not resulted, so far, in any modification of the statement submitted with the former report.

The Minister of Finance therefore recommends that the aforesaid statement of debt, and the rules accompanying the same, be communicated formally to the several Governments of Ontario and Quebec, as those which the Dominion Government would suggest should be submitted for the guidance of the Arbitrators.

(Signed,)

JOHN ROSE,
Minister of Finance.

OTTAWA, 18th November, 1868.

COPY of a Report of a Committee of the Honorable the Privy Council, approved by his Excellency the Administrator in Council on the 19th November, 1868,

On a memorandum dated 18th November, 1868, from the Honorable the Minister of Finance, referring to his former report of the 27th September, 1868, submitting a statement of the affairs of the late Province of Canada, and in connection therewith bringing under notice the letter from the Treasurer of the Province of Ontario, and his reply thereto.

That he, the Minister of Finance, communicated the statement in question unofficially to the Treasurers of the Provinces of Ontario and Quebec, intimating to them that he would be glad to be put in possession, equally unofficially in the first instance, of any objections they might have to make, and which might affect his recommendation before submitting these statements for the formal consideration of Council.

He further states that he has had frequent discussions with the Treasurers of Ontario and Quebec, respectively, and has received from the former the letter submitted herewith.

That the communications with the Treasurer of Quebec have not resulted, so far, in his the minister's modification of the statement submitted with the former report, and he therefore recommends that the aforesaid statement of debt, and the rules accompanying the same, be communicated formally to the several Governments of Ontario and Quebec, as those which the Dominion Government would suggest should be submitted for the guidance of the Arbitrators.

The Committee concur in the report of the Minister of Finance and submit the same for your Excellency's sanction.

Certified.

(Signed,)

WM. H. LEE,
Clerk Privy Council.

OTTAWA, Nov. 21st, 1868.

SIR,—Your letter of the 9th instant, only reached me on the 16th, on my return from Quebec.

The communication to you of the statement of affairs having been only informal, with the object of eliciting a like informal expression of opinion on the various points involved, before the Dominion Government finally determined the amount of debt, I had not looked to being put in possession of your conclusions in the formal shape in which you have now conveyed them without some further intermediate discussion. But I accept by anticipation this expression of your views, and lose no time in replying as far as necessary to the different points raised by you.

I trust, however, that you will pardon my saying that we will both encounter difficulty in arriving at common conclusions, by attempting to discuss these questions in writing, and that more progress would have been made in narrowing the points of difference, had much of what you now advance formed the subject of oral discussion.

I feel very strongly the duty of dealing with the financial interests of the various Provinces in their relation with the Dominion in a just and liberal spirit, and I am solicitous that the real intention of the Union Act as to its Financial provisions should be faithfully carried out as regards all the four Provinces.

I am sure that you are actuated by the same desire, and that while it is the duty of Ontario to see that its interests are not overlooked, you would not seek to assert for that Province an interpretation of the Union Act, which would be unfair to the other sections of the Dominion.

In this belief I trust that the observations I have to offer may lead to a modification of the views you have put forward with reference to certain items in the accounts.

The points of primary importance to which you call attention may be reduced to five in number.

1st. That you wish the three Railway Debts due by the Great Western, the Northern and the Grand Trunk Companies to go in diminution of the debt of Ontario and Quebec at their par value.

2nd. That the amount due by the Bank of Upper Canada should be taken at its face by the Dominion as a Banker's balance, and deducted from the Provincial Debt.

3rd. That all investments by the late Province of Canada out of Trust Moneys, and on account of Trust Funds, should be retained by the Dominion at their face, that the Trust Funds should be a liability of the Dominion to their full amount, but that the Dominion should keep as assets, and deduct from the debt of Ontario and Quebec the full amount of these investments, whether they be good or not.

4th. That the whole of what is termed indirect debt, incurred for account, or as security for various institutions, should be put on the same footing and deducted absolutely from the gross liability.

5th. That you do not consider the proposition that the Dominion shall pay five per cent. semi-annually on the amount at the credit of the Common School Fund—U. C. Grammar School—Superior Education Fund, L. C., including the Superannuated Teachers' Fund, the Normal School Building Fund, and the U. C. Building Fund, one which can be entertained at present, but that it ought to stand over for independent negotiations at a future day.

These five heads comprise the different points raised by you in the first ten paragraphs of your letter, in reference to the mode of stating and dealing with the debt. I will notice later those paragraphs which refer to the rules proposed to govern transactions since 1st July, 1867.

1st. Then as to the deduction of the three Railway Debts mentioned by you.

I forbear entering into a critical discussion as to the strict legal interpretation of the Union Act.

I cannot, however, agree with the views you put forward, for, tested even by the strict rules of legal construction, I submit and am advised that these amounts are to be considered the absolute property of the Dominion, for which no allowance is to be made to Ontario and Quebec. But independently of the argument derived from a correct reading of the Act, I understand it was a matter of compact that those Railway debts should become the absolute property of the Dominion as a contribution by the late Province of Canada of so much Railway property in return for assets of a corresponding nature, viz., Railways costing \$11,000,000, contributed by New Brunswick and Nova Scotia, and for which no allowance was made to these Provinces by way of reduction in their debt. I am sure it will suffice to mention this arrangement as existing in the minds of the framers of the Bill, and that the Government of Ontario will think it unnecessary to discuss the point, and will not only withdraw the objections you make, founded on the literal wording of the Act, but will be the first to urge that an interpretation shall be given to it in consonance with the understanding I have mentioned.

I do not, I think, mistake the aim which I believe to be common to us both, viz., to ascertain the real intentions in the minds of those who represented the various Provinces of the Union when the Act was framed, and to give a broad and liberal interpretation to its meaning, so as to carry out those intentions, rather than to strive for any more favorable construction either to the Dominion or to any one of the Provinces, which strict rules of legal criticism might sanction.

2nd. As to the debt of the Bank of Upper Canada, your argument seems to be two-fold. 1st., you contend that it is a Banker's balance, and that on a correct interpretation of the Act, is to be assumed at its nominal figure, wholly irrespective of its real value; and, 2ndly, you say that the Dominion Government, and the Dominion Government alone, has the power to make it worth its face, and that, therefore, if the Dominion Government abstains from exercising that power it ought not to subject Ontario and Quebec to loss. My reply to the first point, (keeping in view the principles of construction to which I have just adverted, as those which should guide us,) is that the words "Banker's Balance" clearly means cash available to the Dominion, in the hands of the Bankers of the several Provinces at the time of the Union, and not doubtful debts, whether due by Banks or otherwise. This amount had for years before the Union been treated by the Province of Canada as a debt. Its Banker's balance handed over to the Dominion was in the hands of another Institution, the Bank of Montreal. By arrangement under various orders in Council the late Province had given time to the Bank of Upper Canada to pay this amount.

As far back as December, 1863, the Bank admitted its inability to pay in cash the deposits which it held on Government account, then amounting to nearly one and a-half millions, and which was then spoken of as a debt due to the Government. That debt the Bank agreed to liquidate by half yearly instalments of \$50,000 each, with interest at 3 per cent.

The Bank was unable to meet the first of these instalments, and in August, 1864, applied for and obtained an extension of time, on condition of depositing \$883,300 of Grand Trunk Postal Bonds as collateral security.

Further negotiations took place from time to time for the liquidation of this debt, all anterior to the Union, and it is manifest from the character in which the late Province had itself regarded it, and from all the attendant circumstances that the amount could not be viewed in the light of an available Banker's balance to be assumed by the Dominion as cash.

Let me test your argument by reference to a fact of recent occurrence.

The Government of New Brunswick has since the Union kept their account with the Commercial Bank at St. John's, which closed its doors a few days ago, having a balance in its hands belonging to the Local Government.

Suppose this had taken place before the Union, I am sure that you as representing Ontario would not have been willing that the Dominion should have taken that balance over at its face, and credit New Brunswick with the full amount on account of its debt, supposing it to be only worth 25c. to the dollar. I think it quite obvious that the words "Banker's Balance" could only have meant available cash.

The second part of your argument, viz., that the Dominion has the power to make it a good debt, and if for Dominion purpose it refrains from exercising that power, the Provinces should not suffer, would be more plausible if it were founded in fact. But how are the facts? Could the Dominion up to this time have collected it in full? Would it have been in the interest of the Dominion generally, or in that of Ontario or Quebec, or specially of the former Province, that coercive legal measures should previous to this time have been instituted under the double liability clause against the shareholders.

Is there not some doubts whether the whole of the assets must not be realized before such a proceeding can be effectually taken, and would you have wished to have substituted for the system pursued up to this time, of realizing the property as judiciously and vigorously as circumstances will permit, the arbitrary process of a writ of extent with all its attendant cost and sacrifice? The Government of the Dominion will continue to make, as they have hitherto used every effort to make, this a good debt, and until unquestionable laches on the part of the Dominion or a formal abandonment of its privileged rights shall have taken place, it is premature to claim that the Dominion must accept the debt at its face. If you are not satisfied with the assurance that every effort has been and will continue to be made to collect it, and if you believe that the debt can be immediately realized, are you willing to assume it as part of the liability of Ontario if the Dominion deducts it from the debt of the late Province of Canada and subrogates you in all its rights and in the use of its name.

3rdly. The subject of the investments of Trust Funds can hardly, I think, have been viewed by you in all its aspects, for I am persuaded that further consideration will satisfy you of the injustice of applying the rule you propose with reference to them.

It would amount to this: The Provinces of Ontario and Quebec, when formerly co-partners, invested funds belonging to certain trusts in securities of different kinds.

These securities became the property of the parties interested in the trusts, some of the securities are of doubtful value, but you wish that the Dominion or the new concern should take them all off the hands of Ontario and Quebec at par and reduce your debt accordingly.

You do not seem to think that the element of value to the new partners ought to be taken into consideration, but that, whether good, bad, or doubtful, they are all to be credited to the old partners at par, however injudicious those old partners may have been in the selection of the securities, or even if they have by their own acts rendered them worthless. If that be so, and you think it a right principle that all securities must be taken by the Dominion at par—on what principle do you omit to claim that *all* the Railway debts, without distinction, which you say are to be credited to Ontario and Quebec shall be in like manner written off your debt at par.

You only pick out three which you consider good, viz: The Great Western, a small part of the Northern, and a small part of the Grand Trunk.

But on what possible principle if, as you contend, all securities are to be taken by the Dominion at par in reduction of Provincial debt, do you exclude the rest of the amounts due by the Grand Trunk and Northern Railways? They amount in the aggregate to \$29,345,000, and if your rule is applied would reduce the debt of Ontario and Quebec according to your statement of it to about in round figures \$36,500,000.

I cannot but think that you will, on reflection, see the manifest unfairness of this proposal and acquiesce in the rule proposed, viz: That the trust securities shall go with the funds. There would be no objections to the Dominion taking them at *their real value* if that could be fixed, but as it is impossible to ascertain it, the most practical way is that they shall accompany the funds and be deducted from the amount which the Dominion has to pay on account of these Trust Funds. You will perceive that practically it makes no difference whether the Dominion pays on the gross amount of the Trust Funds without deduction of the securities, or on the net amount after deduction, because in the former case the excess of debt, the interest on which would have to be deducted from the subsidy of Ontario and Quebec would be increased in exact correspondence with the additional amount, payable by the Dominion on the trust account.

4thly. Indirect debt.

You wish that the \$150,400 of what is termed indirect debt shall be deducted as well as the \$698,056 which it is proposed to deduct.

But you are mistaken in supposing that the Dominion is only contingently liable for this amount.

The debentures issued are undistinguishable from any other debentures. It is true that the funds are bound to repay us and are well able to do so, but Ontario and Quebec have possession of these funds. If they will pay us the amount we may strike it out. If we leave it there we do not ask them to pay us. It makes no manner of difference to them or to us which way you treat it.

5thly. Payment of the Dominion of the 5 per cent interest on the funds mentioned in paragraph 7, viz: Common School Fund, U. C., Grammar School, Superior Education Fund, L. C., including the Superannuated Teachers' Fund and Normal School Building Fund, U. C. Building Fund.

I don't see how it is possible to avoid settling this now. There can be no objection in principle to the plan we propose, or to the rate of interest, because in all transactions between the Dominion and the Provinces 5 per cent is the fixed rate.

The Dominion pays exactly the same rate of interest to the Provinces on the debt composed of these funds as is charged to the Provinces on the excess of debt beyond the 62½ millions which is created partly by the funds, and as you do not indicate any distinct ground of objection to this plan, I may reasonably conclude that none occurs to your own mind.

Having now discussed the various questions of any moment adverted to by you as bearing on the amount of debt as at 30th June, 1867, it remains only to notice the 11th and 12th paragraphs of your letter, wherein you animadvert on the 17th rule which it is proposed to apply to transactions subsequent to June 30. I am happy to perceive that you give a general acquiescence in the more important of these rules, and specially in the 3rd, 4th, 5th,

6th, 15th, 16th, and 17th and in a qualified or conditional sense in all the others, except the 9th, 10th, and 11th by which three last rules, it is proposed to charge certain pensions and gratuities to the late Province of Canada.

As to the rule by which it is proposed to charge all payments since the 30th June, 1867, in virtue of pre-existing engagements against the Province contracting the engagement; it is, of course, impossible to say that in some cases it may not work inequitably, but as there must be some rule, it is believed the one adopted applies with more general fairness than any other that could be laid down, and that the exceptional cases in which it would work unfairly will be found to be fewer than if any other principle were adopted. If there are any cases of sufficient importance to warrant the application of a separate rule they can be considered as they arise. But the same rule must be extended to the transactions with all the Provinces.

RULES 2 AND 7 viz :

Payment of balances of appropriation for surveys of Public Buildings and arrears due by Crown Land Agents.

It is obvious that we have no power to receive appropriations in respect of which no contract had been entered into, or liability or any kind arisen, but if the surveys were in progress on the conditions laid down in the report, viz: that they could not have been stopped without prejudice to some individual, they will be paid and charged as an arrear to the Province.

You will, I think, see the injustice of varying the 7th rule, as you propose in the 11th paragraph of your letter, so as to make the Dominion assume as good debts all the arrears due by former Crown Land Agents of Canada. The Dominion ought not to be called on to assume any bad debts of any of the Provinces, more especially when arising out of services left to the separate administration of those Provinces.

RULE 8TH, CAPITALIZING OF PENSIONS AT 6 INSTEAD OF 5 PER CENT.

I am at a loss to perceive on what ground you ask that an exceptional rate of interest shall apply to this class of liabilities to that which governs every other transaction between the Dominion and the Provinces.

The Dominion charges you but 5 per cent. on the capital of these pensions, and there can be no good reason why a different rate should regulate the investment of the amount requisite to provide the annuity.

You ask us to capitalize these payments at 6 per cent., and only to receive from you 5 per cent., and I am sure that reflection will satisfy you of the injustice of this proposal.

You wish that the pensions so capitalized should be confined to those fixed by law. I do not think that any difference of opinion can arise as the class of pensions which should be dealt with. The Dominion is liable for the engagements of the various Provinces, and some pensions, though not payable by law, have from the circumstances of their origin and their long continuance become as obligatory as if secured by statute.

I am sufficiently sanguine to indulge the hope that on consideration of the arguments which I have imperfectly presented to you the views expressed in your letter will be so modified as to make the points of difference between your Government and that of the Dominion few and unimportant. I am sure that you and your colleagues will consider that at the outset of our career it is better ever to forego a doubtful point than by carrying it to give rise to any feeling on the part of any other Province that it, as a part of the Dominion, has had to assume more than clearly and unequivocally it was bound to do, or that by a mere critical and technical interpretation of the wording of the Act it has been deprived of assets which, in the contemplation of those who framed the Constitution were considered to appertain to it.

We have to consider not only merely the interests of Ontario, as regards the late Province of Canada, but how far the mode of dealing with the several items affects the new Provinces which have been brought in and is in keeping with the conditions as they understood them.

I am sure you will give due weight to this consideration,

Whatever additional charges the Dominion has to assume, and whatever sources of revenue it is deprived of must necessarily be made good in some way. It is not for me to remind you what proportion of this contribution would fall on Ontario, though the Local Government might nominally be advantaged, the people would still have to make good the burden. Keeping these considerations in view I feel assured the Dominion Government will be met by you in the same spirit as that which it earnestly desires to bring to the adjustment of all the points of difficulty inseparable from the dissolution of a national partnership, and the equitable apportionment of its assets, and that broad and liberal views of equity and justice rather than those of individual advantages will prevail.

I propose now to ask the formal consideration of His Excellency in Council to the statement of affairs, and the proposed rules regulating transactions since the 30th June, 1867, and submit with it your objections and this reply. We have desired to give every possible opportunity to the Government of Ontario and Quebec for informal discussion and for the rectification of any inaccuracies, either of fact or of erroneous principles, but the Dominion Government cannot much longer defer coming to a conclusion, because, apart from considerations of a more important nature, the public accounts of the first year of the Union cannot properly be prepared until the amount of debt and the principles which are to govern payments since the Union are determined on.

I have the honor to be, Sir,
Your obedient servant,
(Signed,)

JOHN ROSE,
Minister of Finance.

The Hon. E. B. WOOD, M. P.,
Treasury of Ontario, Toronto.

OTTAWA, 21st Nov., 1868.

No. 616.

SIR,—I have the honor to enclose herewith a Statement of Affairs of the late Province of Canada, and of the Rules by which it is proposed transactions since the 30th June, 1867, shall be governed.

You have already had informal communication of these statements through the Minister of Finance; and I have now the honour to inform you that the Statements and Rules in question having been before His Excellency the Governor General in Council, they have, by an Order bearing date the 19th instant, been approved of as those which it is proposed shall be submitted to the Arbitrators for their guidance.

I have the honour to be,
Sir,
Your most obedient servant,
(Signed,)

E. A. MEREDITH,
Under Secretary of State.

The Hon. C. DUNKIN,
Treasurer of Quebec,
and

The Hon. E. B. WOOD,
Treasurer Province of Ontario,
Toronto.

TREASURY DEPARTMENT,
Toronto, 5th Dec., 1868.

SIR,—Unavoidable absence from Toronto, and other pressing matters connected with the business of the Legislature, now in Session, have prevented me from sooner replying to your letter of the 21st November.

I shall regret if, putting my views in the formal shape in which they appear in my letter of 9th November shall have the effect of embarrassing or delaying the final conclusion

which I am most desirous of reaching—the determining the debt of the late Province of Canada, and the ascertaining of the debts, credits, liabilities, properties, and assets of Ontario and Quebec, in order to their speedy division and adjustment, as provided by the B. N. A. Act.

Permit me to say, that all the points raised in my letter of 9th November had formed the subject of oral discussion, and, until I received your letter of the 2nd November, I was led to hope, from what transpired in those discussions, that you were prepared to acknowledge the justice of the changes proposed in the “Statement of Affairs,” and that you might be induced to incorporate those changes in a “Revised Statement of Affairs, and rules to govern transactions since 30th June, 1867.”

But the tenor of your letter of the 2nd November dispelled all such hopes.

As, therefore, the items upon which we differed were large, and as I saw no reason for believing that any satisfactory conclusion would be arrived at by further personal interviews, and as the public at large, whose servants we are, were alone interested, and had a right to know the views of parties charged with the grave responsibilities involved in the points of difference under consideration, I conceived it to be my duty, in the interest of the public, and for the purpose of effecting an early settlement, to state formally the views I had sought to impress upon you and the Auditor in the informal interviews we had had upon the subject.

I am not convinced that I was wrong; indeed, I was doing what you yourself suggested. “Either finally to accept the statement of debt as furnished, or place the Dominion Government formally in possession of the points in respect of which I had objections.”

You do not misinterpret me in the estimate you form of my sincere desire to act both liberally and fairly with all sections of the Dominion.

I will now proceed to notice briefly the five points to which you have given special prominence in your letter of the 21st November.

G. W. R. DEBT.

I fully agree with you, that, by the B. N. A. Act, “tested even by the strictest rules of legal construction, railway debts are the absolute property of the Dominion, just as are stocks, cash, bankers’ balances and securities for money,” *but are to be taken in reduction of the public debt of the late Province of Canada.* It is not arguable, that the money owing by the G. W. Railway is not a debt, and if a debt, then a “security for money.” Therefore, confining ourselves to the “record,” the conclusion is inevitable, that, while the debt is the property of the Dominion, it must go in reduction of the debt of the late Province of Canada. No argument against this conclusion can be derived from the third schedule to the B. N. A. Act. In that schedule is a general enumeration of the property which should belong to the Dominion. If it be conceded that the words “mortgages and other debts due by railway companies” were intended to include, and do include, railway debts in the late Province of Canada, such a concession is in perfect harmony with the construction for which I contend. Such debts are the property of the Dominion, “*but shall be taken in reduction of the debt of the late Province of Canada.*” It is open to argument, I admit, but viewed in the surrounding circumstances, and interpreted in connection with the whole Act, it is manifest, I think, that the “railways, railway stocks, mortgages and other debts due by railway companies,” mentioned in the third schedule, have no reference whatever to railways, railway stocks, mortgages, or debts due by railway companies in the late Province of Canada. But as you do not appear to entertain the opinion that the third schedule has any material bearing upon the construction to be given to the clauses of the Act with respect to the subject now under consideration, I forbear mentioning the numerous arguments which crowd upon me in support of the proposition, that the third schedule has no reference to the railways, railway stocks, mortgages, or debts due by railway companies in the late Province of Canada, and that, what I am now contending for is not in *conflict*, but in *harmony* with even a contrary construction of the third schedule.

I know nothing of the facts outside the record, from which you derive your chief argument in respect of the railway debts in controversy. I for one am of opinion, that but little was, or will be, added to the wealth or revenues of the Dominion by the acquisition of the New Brunswick and Nova Scotia Railways. It will, I submit, be quite enough for Ontario

to contribute, by its taxes, the larger portion of the expenses which will have to be annually taken from the Dominion exchequer, to maintain and run these railways, without being called upon to give up \$4,359,272.03 of good debts, under the pretence that it is just and equitable so to do, as a set off against railways, which will be a constant drain upon the revenues of the Dominion. If railways, much more favourably situate for business, can barely pay running expenses, under the management of private companies, what is to be expected of those eastern railways, under the management of the Government? Ontario, as you very properly state, will have to bear the larger part of the taxation of the Dominion, and will, therefore, have to pay the larger portion of the large sum to be expended for the construction of the Intercolonial Railway—a work which, when completed, will also, I fear, prove to be a constant drain upon the revenues of the Dominion; Therefore I submit that the sacrifices Ontario has made, and is prepared to make, are sufficient without requiring her to add to the many concessions she has already made, the large sum of \$4,359, 272.03. I see neither law, equity or justice in the demand.

I will, hereafter, remark upon the special debts of the Grand Trunk and Northern Railways.

BANK OF UPPER CANADA.

Aside from the observations I made in my letter of the 9th November, and from the argument derived from the plain reading of the statute, permit me to call your attention to the obvious distinction drawn in the 107th section of the B. N. A. Act between a “banker’s balance” and “cash.” This distinction, so clearly marked, renders it unnecessary for me to say anything on the arguments you have drawn from the supposition and assumption that “cash” and “bankers’ balances” mean one and the same thing. Notwithstanding your suggestions to the contrary, I am informed that the Government of the late Province of Canada did not pass any Order in Council (I question if they had the power to do so) by which the payment of this claim was prejudiced or postponed. It is, therefore, admitted that, upon and after the formation of the Government at Ottawa, this claim was good, that there were sufficient assets to meet it without proceeding against the shareholders at all, and that a writ of extent would have realized the claim in full.

I make no remark on the doubt you express as to whether or not the whole assets must not have been first realized before a proceeding by extent could have been effectually taken. It seems to me to call for none.

Then, while the claim was admittedly good—assets sufficient—writ of extent issuable—the Ottawa Government intervene and assume this claim, and by its legislation last session, 31 Vic., cap. 17, without the consent of the Government of Ontario, deal with it in such a way as to deprive itself of all the advantages which it had, and which were abundant to enable it to obtain the full payment of the whole claim. I hardly think it now rests with the Government at Ottawa to say that it is *now* a doubtful claim, and that it ought not to be called upon to take it at par in reduction of the debt of the late Province of Canada. It would be quite impossible *now* for the Dominion to subrogate Ontario in all the rights the Dominion had prior to the Act of last Session.

The proposition, therefore, that Ontario shall take the claim, and assume it as part of the liability of Ontario has no significance.

TRUST FUND INVESTMENTS.

I by no means admit the conclusiveness of your arguments in respect of Trust Fund Investments. The considerations you offer had not escaped my attention, but it seemed to me that the Act was too plain and explicit to admit of treating these investments in the manner you proposed, and I must confess I see nothing in your observations to induce me to change the opinion I had formed on the subject. However, as these investments are not so hopelessly bad as to be beyond the possibility of recovery, I do not think it worth while pertinaciously to insist upon an iron rule of construction as to their disposition. Were these investments the only grounds of difference, I am disposed to think a compromise might be arrived at satisfactory to all parties.

Your observations to the effect that the principle I propose would comprehend all debts, good, bad and doubtful, have, I think, but little force when considered in connection with the remarks I made in my letter to you of the 9th November, "that I was not unaware that there were many debts to which I had not alluded, and which it might be claimed should go in reduction of the debt, but that these debts by special legislation, sheer neglect, or other causes, were perfectly worthless, and that it would be unreasonable to ask to have them allowed in reduction of the debt." Of course I referred to the Grand Trunk Railway *capital* debt and the Northern Railway *capital* debt, which had been practically wiped out by legislation. These make up the major part of the \$29,345,000 you mention.

Do you contend that these railway debts (I mean the capital debt of the Grand Trunk and Northern Railways), were set off as something substantial against the railways in New Brunswick and Nova Scotia by the framers of the scheme of Confederation? If not, if in fact legislation had practically blotted them out, if all parties treated them as obsolete, what inconsistency is there then in my so treating them in the construction of the B. N. A. Act?

In this connection I wish to call your attention to the fact, that the Grand Trunk Railway Bonds (\$243,406.33), stand upon an entirely different footing from what you call Grand Trunk Railway capital. The debt arose long subsequent to the construction of the Railway. The Government made advances to that Railway, and under the arrangement Act of 1862, these bonds were issued. The Northern Railway bonds (\$243,333.33), are also the result of a compromise under the Act by which the advances made to that Railway were practically wiped out for certain interest in arrear. They are emphatically securities for the payment of money.

They might have been sold at any time in the market, even the day before the Union Act came into operation; therefore, in respect of these bonds of the Grand Trunk and Northern Railway, it seems to me there can be no controversy.

Indeed, as they are included in the Consolidated Fund Investment Account, all of which (\$997,666.72) I proposed to deduct from the public debt, and to which proposition you have offered no objection, I assume you assent to the correctness of the views advanced, as well in respect of these Railway bonds as of all the other items in the Consolidated Fund Investment Account.

INDIRECT DEBT.

I suggested as the simplest mode of dealing with the Indirect Debt to strike it all out of both sides of the "Statement of Affairs." To this you offer as a ground of objection, that the Dominion is primarily liable. Technically you are correct. Practically you are in error. The law, in each case, makes it obligatory upon each institution or concern on whose behalf the advance was made through debentures by the late Province of Canada, to provide for the payment of the interest and debt of these debentures. However as the institutions or funds on the credit of which the \$150,400 debt excepted was created will, without reduction and free from these charges, come to the Provinces, there is no irreconcilable conflict in respect of the "Indirect Debt."

COMMON SCHOOL FUND, U. C. GRAMMAR SCHOOL FUND, SUPERIOR EDUCATION FUND, L.C., INCLUDING SUPERANNUATED TEACHERS' FUND AND NORMAL SCHOOL BUILDING FUND, AND U. U. BUILDING FUND.

I do not think the Government of Ontario have any authority to deal with these funds as you propose. Its action would be *ultra vires*. If the people of Ontario should decide to have these funds invested it may be, and most likely would be, that they could invest them in good securities at 6 per cent. Your Government owes these moneys. Instead of paying the principal, you propose to pay 5 per cent. in perpetuity. I am not prepared to say the people of Ontario will accept this proposition. I note what you say about 5 per cent. on all transactions between the Dominion and the Provinces. That rule does not apply to debts owing by the Dominion to third parties, as is the case with the debts under consideration. As these funds are for public purposes, it may be that Ontario and Quebec may sweep them away altogether, and merge them in the general revenues of the Provinces, and provide by annual grants or otherwise for the objects contemplated by

the creation of these special funds. By doing so it would save much labor and many complications. I repeat, your proposition in respect of these funds has nothing to do with ascertaining the debt of the late Province of Canada, and cannot at present be entertained.

I think I have now noticed, but not so much at length as I would desire to do, had I time, the main points in your letter. I say nothing in regard to the "Rules." I am of the opinion that by oral discussion we could agree upon some principles which would work justice to all parties. But I am reluctantly compelled to say that I greatly fear the "Rules" propounded by you will be found, when put to the test, to work injustice. I repeat, I think it unwise to commit ourselves to cast iron "Rules" in the classification and allocation of the varied and complex items of debt and credit, which may arise out of matters of account and transactions before and subsequent to the 30th June, 1867. In conclusion, I will only say that my colleagues and myself are most desirous of doing justice to all the Provinces of the Dominion, but at the same time are specially charged with the interests of this Province, and being convinced that they are asking for nothing but what is right and fair, for nothing in respect of which any Province can reasonably complain, they must firmly adhere to the views they have advanced concerning the public debt of the late Province of Canada until satisfied they are in error. I have heard it stated that at the Quebec Conference it was distinctly understood and declared that the Great Western Railway debt was to go to the new concern as a set off against the New Brunswick and Nova Scotia Railways. If it should be proved and demonstrated beyond all doubt that such an understanding was come to, inequitable though I might think it, yet I am quite certain the Province of Ontario would carry out the understanding in good faith.

I by no means assent to the proposition that the Government at Ottawa have the authority to determine the Public debt of the late Province of Canada. It has no more power to do so than has the Government at Quebec or at Toronto. Whatever conclusion is arrived at must be by the concurring action of the three Governments. If then agreement is impossible, and apparently it is so, I would invite your early consideration to some plan by which the questions in difference may be settled. Shall it be by arbitration or how otherwise? I called your attention to this in the concluding part of my letter of the 9th of November, upon which however you made no remark. I am very anxious to have your views upon these points in sufficient time before our Legislature separates to take such Legislative authority as shall enable the Government to deal effectually with the whole question during the vacation.

I have the honour to be,

Sir,

Your obedient servant,

(Signed,)

E. B. WOOD.

The Hon. JOHN ROSE,
Minister of Finance, Ottawa,

MEMORANDUM OF INFORMAL CONFERENCE, BETWEEN THE TREASURER OF ONTARIO
AND THE MINISTER OF FINANCE.

1. *Railway Debts—Great Western.*—Official letter as to intention of framers of Act, that it was to go to the Dominion, to be procured for consideration of Ontario Government:

As respects the two amounts due by the Northern and Grand Trunk Railways, Ontario contends that they stand on a different footing, that they are not railway property, but assets which must go in reduction of the debt of Ontario and Quebec.

2. *Bank of Upper Canada.*—Ontario contends that the whole of this sum must go in reduction of the debt, while the Dominion contends that it is only to be taken at what it is worth.

Dominion propose that this question shall stand over for future adjustment—the point to be determined either by the authority of the Dominion Parliament, or in such other way as may be agreed to by the two governments, and when settled the proportion which the arbitrators assign to each Province, shall apply either to the face of the debt, or to

what it may be held to be worth ; but Ontario is not prepared as yet to assent to any definite proposition except the allowance of the whole debt.

3. *Trust Fund Investments*.—To be treated as suggested by the Auditor in the Minutes of Council.

4. *Indirect Debt*.—To be treated as suggested in Minutes of Council.

5. As to the *Common School*, and other funds, Ontario cannot adopt the conclusion about consenting to allow the amount to remain at interest, while the Dominion consider the question settled by the Imperial or other Legislation, and can only be altered by authority of Parliament, but this view is not acceded to by Ontario.

6. The Crown Lands and L. C. Suspense Account to be deducted from the account on both sides.

7. The principles to guide the transactions since June 30th, are generally approved of ; but Ontario must reserve to itself the right of objecting to any and all items of detail which it may think unjustly charged, of which the Dominion will keep a minute account.

8. The three items under rules 9, 10, and 11—objections adhered to. The plan proposed under No. 2, or some other plan of adjustment to be adopted as may be agreed on.

OTTAWA, 19th December, 1868.

SIR,—The satisfactory character of the interviews which took place between us on the 12th and 14th instant, at Toronto, where I received your letter of the 5th, relieves me in a great measure from the necessity of making a formal answer at length to that communication.

I felt assured that the subject at difference only required to be approached in a fair spirit to remove much of the difficulty which it at first seemed possible might arise, and I appreciate the desire evinced by you to arrive at just conclusions on the various points we discussed.

These being embodied in the informal memorandum of the interviews, I need not therefore advert to them here, further than to say that they appear to me to have cleared away the remaining obstacles to the operations of the arbitrators being begun.

1st. We may fairly assume that as regards the Great Western Debt, evidence will be given that, according to the understanding of the framers of the Union Act, the sum due is a Dominion asset, as much as the railways of Nova Scotia and New Brunswick. I will not therefore reply to your observations on that head, however worthy of consideration they might have been as arguments in anticipation of the arrangements which were afterwards embodied in the Act.

As regards the smaller items due by the Grand Trunk and Northern Railways, I will apprise you at an early day of the views which may be taken of them by the Dominion Government, when the whole of the circumstances under which these debts were incurred are considered ; but in any case they will only affect the amount to be deducted from the excess of debt, and cannot affect the proportion of that debt to be assumed by Ontario and Quebec respectively.

2.—BANK OF UPPER CANADA DEBT.

Whatever may be the ultimate decision as to this item, it need not delay the work of the arbitrators.

It will be their duty to say what proportion of the excess of debt each Province is to bear. It is obviously impossible (owing to the arrears still to be dealt with, and yet daily coming in) to fix, for some time to come, the precise amount of that debt. But the proportions which the arbitrators may assign to each Province will apply to the figure when determined.

Whether, therefore, it be ultimately decided that the Dominion has to assume the amount of the bank's debt at its face (which, however, I cannot admit) or only at its true value, cannot affect the proportion to be assigned to each Province, and as the exact amount of excess must, for reasons spoken of, necessarily be undetermined for some time, this item will be deducted, in whole or part, when a solution by some one or other of the means suggested is arrived at.

3.—TRUST FUND INVESTMENTS, INDIRECT DEBT, CROWN LANDS, AND CROWN LANDS SUSPENSE ACCOUNT.

The result of our discussion renders it unnecessary for me to offer any observations on the portion of your letter referring to these items, as I understand the reasonableness of the principles laid down to be acquiesced in.

4.—COMMON SCHOOL FUND, UPPER CANADA GRAMMAR SCHOOL FUND, UPPER CANADA BUILDING FUND, SUPERIOR EDUCATION FUND, L. C., INCLUDING SUPERANNUATED TEACHERS' FUND AND NORMAL SCHOOL BUILDING FUND.

Whatever claims may in future be put forward as regards the capital of these funds, cannot in the meantime affect the amount of the debt, its apportionment between the Provinces, the rate of interest, nor the division of the assets.

5th.—RULES APPLICABLE TO TRANSACTIONS SINCE 1ST JULY, 1867.

In accordance with our understanding, I will see that an accurate list of every item charged in accordance with the rule submitted for general guidance is kept. This will be open for the inspection of yourself and the Treasurer of Quebec, and, if the application of the rules in question is found, as respects any special items, to be manifestly unjust, your objection will receive every consideration at the hands of the Dominion Government. The Auditor General has been directed to keep manuscript sheets of all doubtful items.

You invite my early attention to some plan by which the question in difficulty may be settled, and you ask whether it shall be by arbitration between the Dominion and Ontario, or otherwise.

It will appear obvious to you, I think, on reflection, that as the responsibility is thrown on the Dominion Government, the power of settling questions of the nature of those you advert to, should be vested in them.

While this right seems to be clear, I think it nevertheless desirable that an adjustment of any special point of difference shall be arrived at in such a way as to satisfy the mind of those whose interests they affect, that a determination other than a mere arbitrary one has been arrived at—that the parties concerned shall have a voice in that determination, and that, however reasonable and right in itself, it should be divested of the character of being authoritative only.

We have already, by temperate and fair discussion, got rid of many points of difficulty, and I do not despair that, if we continue to be actuated by the same spirit, others will yet disappear.

I should be sorry to anticipate the necessity of recourse to anything like arbitration between the Dominion and the Provinces until the resources of negotiation are exhausted, and the just exercise of Dominion authority has reached its limits. I do not yet believe either to be the case; but if you think, as a matter of precaution, that it is desirable for the Government of Ontario to ask any authority from the Legislature, I trust it will be of such a general character as not to preclude us from adopting any course which, on further consideration, may occur to us both as the most calculated to further an amicable and just solution of any special points of difference which, after our own efforts at accommodation are exhausted, may still remain open.

I have the honor to be,

Sir,

Your obedient servant,

(Signed,)

JOHN ROSE,

Minister of Finance.

The Hon. E. B. WOOD, M. P.,
Treasurer of Ontario,
Toronto.

(Copy.)

OTTAWA, 16th January, 1869.

SIR,—I have the honor to invite your attention to the letter of Mr. Under Secretary Meredith, of the 21st November last, covering a Statement of the Affairs of the late Pro-

vince of Canada, prepared in connection with the Arbitration between the Provinces of Quebec and Ontario.

As some time has elapsed since the date of that letter and as I trust you have had opportunity in the interval of obtaining information on the various details of those accounts, I am directed to express the hope that the Government of Quebec may now be in a position to say whether it acquiesces in the statement transmitted.

The Government of the Dominion is properly solicitous of affording the Governments of Quebec and Ontario ample time to satisfy themselves of the accuracy of the Accounts; but while doing so, this Government cannot lose sight of the great importance of proceeding with the work of Arbitration at the earliest possible day.

Under these circumstances I trust that I may be favoured with an early communication from you in reference to the statement under consideration, either assenting on behalf of the Quebec Government, to the statement as it stands or setting forth the objections the Quebec Government may have to any items in the Accounts.

I have the honor to be, Sir,

Your most obedient servant,

(Signed,)

H. L. LANGEVIN,

Secretary of State.

The Honorable C. DUNKIN,

Provincial Treasurer,

Quebec.

N.B.—A similar letter to Mr. Wood.

(Copy.)

TREASURY DEPARTMENT,

PROVINCE OF QUEBEC,

Quebec, 30th January, 1869.

SIR,—I am sorry to have been prevented by illness from sooner acknowledging the receipt, on the 19th instant, of your letter of the 16th, reminding me of Mr. Under Secretary Meredith's letter to me of the 21st of November last, in reference to the Statement of Affairs of the late Province of Canada, proposed by the Government of the Dominion as a basis for the Arbitration between the Provinces of Quebec and Ontario.

You cannot need to be assured that my not having at once formally answered that letter was owing to no want of anxiety on my part, or on that of the Quebec Government, to bring the matter in question to the earliest and most satisfactory conclusion possible. Of that anxiety we had given full proof, not only since the first unofficial communication made to me of the Statement in September last, but at all times before. It was felt, however, that for this desired result it was necessary to take every precaution against mistake in the raising of official issues between the Dominion and the two Provinces or either of them,—and even against inexactness of statement as to any matter connected with such issues. The tenor of Mr. Auditor Langton's letter to me of the 17th November, written by desire of the Minister of Finance in answer to mine addressed unofficially to the latter on the 9th of that month,—viewed in connection with the fact that no other notice was taken of the representations I had made as to the Statement while under informal discussion,—materially added to the difficulty of my task in this respect. Not to remind you, that it was only some time later that I received unofficially further information of importance to enable me to discharge it. By that time, the meeting of our Legislature was so near at hand, and the pressure of the work needing to be prepared for it so great, as to make the immediate completion of the answer I was engaged upon, impossible.

I shall not fail, however, to place it in your hands within as short a delay as I possibly can.

I have, &c.,
(Signed,)

CHRISTR. DUNKIN,

Treasurer.

The Hon. H. L. LANGEVIN, C. B.,
Secretary of State,
&c., &c.,

AUDIT OFFICE,
OTTAWA, February.

MY DEAR SIR,—The details of the Statements sent to you of receipts and payments on account of Ontario, as you are well aware, require revision. This revision is now taking place in accordance with the rules laid down for what is chargeable against the Dominion, the Province, or the individual Provinces. Instead of waiting for the making out of the interest account until this revision has been completed, I think it will be better to send you the Statement you ask for based upon the accounts as originally furnished to you. It establishes the principle, and is approximately correct, and the necessary revision had much better be done all at once.

I also send Statement of Municipal Loan Fund to December 31st, as it will appear in your books, but you will remember that in our books we only give credit for sums actually received, taking no account of interest accrued on Sinking Fund.

Since January we have received \$200 from Canborough, and I think it will keep you better posted up upon the subject if we give you a warrant at the end of every month for what we may have received. I have therefore now issued a warrant in your favor for \$200.

I am, &c.,

(Signed,)

JOHN LANGTON.

Hon. E. B. WOOD.

PROVINCE OF ONTARIO in Account with the Dominion of Canada, from 1st July to 31st December, 1868.

		CR.	\$ cts.	\$ cts.
1868				
July	1..	By $\frac{1}{2}$ year's Subsidy, less interest.....		466,491 96
Do	1..	By $\frac{1}{2}$ year's interest on Trust Funds.....		68,203 61
August	27..	By Balance per annexed account.....	875,064 77	
		Interest per do	23,816 11	
				898,880 88
September	30..	By Interest on balance of July Subsidy, per agreement of 30th June, viz.:—		
		Three months, at five per cent. on.....	\$466,491 96	
		Less—Paid on account, 18th July.....	300,000 00	
			\$166,491 96	
				2,081 14
December	31..	By receipts from July 31st.....	51,866 29	
		Less—Expenditure.....	1,448 23	
				50,418 06
				1,486,077 65
		Dr.		
1868				
July	18..	To Cash.....	300,000 00	
September	28..	do	500,000 00	
October	1..	do	303,750 00	
November	13..	do	40,000 00	
Do	17..	do (proceeds of M. L. F. Receipts).....	134,693 65	
December	12..	do	100,000 00	
				1,378,443 65
1869		Balance December 31st, 1868.....		107,634 00
January	18..	To Cash per M. L. F. Receipts to December, 31st.....		3,840 00
		Balance		\$103,794 00

AUDIT OFFICE,
Ottawa, January 1869.

PROVINCE OF ONTARIO, in Account with Interest, to 27th August, 1868, with the
Dominion of Canada.

			\$ cts.	\$ cts.	\$ cts.
1867	July 1..	By $\frac{1}{2}$ year's subsidy.....	558,436 40		
		LESS— $\frac{1}{2}$ year's interest on 5-9 of \$0,500,000	131,944 44		
			426,491 96		
		By $\frac{1}{2}$ additional allowance.....	40,000 00		
		do Grammar School Income Fund.....		466,491 96	
		do Common School Grant balance.....		18,167 65	
		do Colonization Roads do		126,999 87	
		do Agricultural Instruction do		65,939 00	
				100 00	
		Balance at credit, July 1st.....		677,693 48	
December 31..	To Cash paid August 9th.....		40,000 00		
	To Expenditure to date.....		531,710 17		
			571,710 17		
Do 31..	By receipts to date.....		186,895 84		
				384,814 33	
		Balance at credit, Dec. 31st.....		292,884 15	
1868	January 1..	By $\frac{1}{2}$ year's subsidy, less interest as above.....		466,491 96	
		do $\frac{1}{2}$ year's interest on U. C. Building Fund.....	37,530 22		
		do do Grammar School Fund.....	7,819 23		
		do do five-ninths Com. School Fund.....	22,856 16		
				68,205 61	One month's interest at 3 per cent.
		Balance at credit Jan. 1st.....		827,581 72	2,068 95
Do 31..	By receipts during month.....		67,681 41		
	LESS—Expenditure.....		13,865 59		
				53,815 82	
		Balance		831,397 54	2,203 49
February 28..	By receipts during month.....		17,116 76		
	LESS—Expenditure		626 20		
				16,490 56	
		Balance		897,888 10	At 4 per cent. 2,992 96
March 31..	To Cash paid March 5th.....		90,000 00		
	To Expenditure during month.....		1,483 14		
			91,483 14		
	LESS—Receipts		8,962 59		
				82,520 55	2,717 89
		Balance		815,367 55	
April 30..	By receipts during month		20,057 16		
	LESS—Expenditure.....		607 51		
				19,449 65	One month at 5 per cent. 3,478 40
May 30..	Balance			834,817 20	
	By receipts during month		11,982 89		
	LESS—Expenditure.....		1,419 84		
				10,563 05	
	Balance			845,380 25	3,522 42
June 30..	By receipts during month.....		18,806 05		
	LESS—Expenditure.....		1,275 40		
				17,530 65	
	Balance			862,910 90	3,595 46
July 31..	By receipts during month.....		12,453 87		
	LESS—Expenditure.....		300 00		
				12,153 87	(27 days.) 3,236 54
	Balance			875,064 77	
August 27..	By interest to date.....			23,816 11	\$23,816 11
	Transferred to several accounts.....			\$898,880 88	

TREASURY DEPARTMENT,
TORONTO, 9th February, 1869.

SIR,—I have received from the Auditor General a statement of Interest Account between the Dominion and Ontario as I have already mentioned to you.

Setting aside all consideration of its correctness or incorrectness in other respects, I beg to call your attention and that of the Auditor General to one cardinal error.

The Auditor General commences his statement by deducting the supposed half-yearly interest payment from the half-yearly subsidy and payment which by the Union Act are to be made in advance. This is so manifestly incorrect, I cannot avoid expressing my surprise that the Auditor General should have fallen into the error.

The half yearly subsidy and payment are to be made in advance, the interest in excess of debt over \$62,500,000 is, when it has accrued, to be deducted from the subsidy—that is—all interest “chargeable” under section 112 of the Union Act. Interest at the rate of 5 per cent, per an. can, I submit, in no sense be said to be “chargeable” until it has accrued; and no possible ingenuity, it seems to me can suggest any good ground for saying that it has accrued until at least the expiration of *six months* after the Union Act came into operation—nay, the argument seems almost conclusive—until *one year* after it came into operation.

I find I shall require for immediate use, one hundred and fifty thousand dollars more than that I am satisfied will be found to be due to Ontario on the first day of January, 1869.

As bearing upon this I refer you and the Auditor General to Appendix “D” of my Budget speech.

Be good enough to have a warrant issue in my favour for \$150,000.

I have the honor to be, Sir,

Your obedient servant,

(Signed,)

E. B. Wood,

The Hon. JOHN ROSE,
Minister of Finance,
Ottawa.

AUDIT OFFICE,
OTTAWA, February 11th, 1869.

SIR,—Your letter to the Minister of Finance of February 9th has been referred to me.

As to the method of charging the interest on the excess of debt permit me to refer you to the provisions of the Union Act. Sections 112, 114 and 115 provide that each of the Provinces shall be charged with interest at the rate of five per cent upon the excess of their debt above the stipulated amount. Taking these sections alone the inference would certainly be that the interest would not be payable until it accrued—say half yearly—but the 116 section provides that in the case of the Public Debts of Nova Scotia and New Brunswick (Canada is not mentioned because the debt was known to exceed \$62,500,000) if their debt falls short of the stipulated \$8 and \$7,000,000 they shall receive interest on the balance, *by half yearly payments in advance*. Now it is very clear that whether the Provinces owe us money or we owe it to them, the same rule as to interest should prevail, and as the rule is clearly laid down in the one case, and nothing is said about the period in the other, it would appear that we should be guided by the rule which is distinctly laid down. Moreover the 118th section provides that the subsidies shall be paid in advance, but that the Government of Canada shall deduct from such sums, all sums chargeable as interest against the several provinces. This provision, though not quite so explicitly, points in the same direction, and taking the whole subject together, I came to the conclusion that the intention of the Act was to make the interest count in advance in all cases. As, however, I did not feel very certain of this interpretation, I prepared a case for the Minister of Justice. In the meantime you were pressing for your statement, and as after some delay, I received no opinion upon the case I had put, I made the account out in the way you have it.—I have since received an opinion that the interest ought not to be charged in advance which will of course modify the statement, but why Nova Scotia and New Brunswick are to receive their interest in advance remains unexplained. When this alteration is made it would make your balance, Dec. 31, greater by \$131,944.44, the half year's interest on the debt \$3,676.66, the difference it

would make in the interest account, bringing up the whole balance to \$239,415.10 upon the items as they now stand subject to revision. Then on the first January upon the same estimate, including the interest on special Funds—there would have been payable to you..... \$534,697 57

And you received the half-year's subsidy, deducting 5-9ths of the interest on \$9,000,000 only and not including the interest on Special Funds..... 473,436 40

61,261 17
Add, balance as above to December 31..... 239,415 10

\$300,676 27

which would appear to be the balance due to you as the account now stands, but subject to revision. There can therefore be no difficulty in giving you the \$150,000 which you ask for on account and a warrant will issue for it at once.

I have the honor to be,
Your obedient servant,
(Signed,)

JOHN LANGTON,
Auditor.

The Hon. E. B. Wood,
Treasurer.

RETURN

To an Address of the House of Commons, dated 26th May, 1869; for Copies of the Accounts of the two Provinces of Ontario and Quebec with the Dominion of Canada, for the six months, from the 1st July, 1868, to the 31st December, 1868.

By command.

HECTOR L. LANGEVIN,

Secretary of State.

DEPARTMENT OF THE SECRETARY OF STATE,
Ottawa, 10th June, 1869.

ACCOUNT CURRENT on Account of Subsidy of the Province of Ontario, from 1st July to 31st December, 1868.

				\$	cts.
1868.					
July	18...	To paid Hon. E. B. Wood, Treasurer of Province of Ontario.....			300,000 00
September	28...	do	do	do	500,000 00
October	1...	do	do	do	303,750 00
November	13...	do	do	do	40,000 00
December	21...	do	do	do	100,000 00
				\$	1,243,750 00
MISCELLANEOUS PAYMENTS.					
				\$	cts.
1868.					
August	6...	To paid J. M. Hamilton, District Attorney of Algoma, amount of Fee Fund return for half year to 30th June, 1868.....			15 87
September	4...	To paid Wm. Hutchison salary and travelling expenses for August, visiting Court House and Gaol, Algoma..			85 15
September	21...	To paid Bank of Montreal to pay P. McEachern, Superintendent of Court House and Gaol, Algoma, his salary, from 1st June to 31st August last, and disbursements			156 50
October	7...	To paid T. J. O'Neill, Prison Director, for travelling expenses, &c., to 30th June, 1868.....			75 96
October	10...	To paid John Damp, Contractor, on account of final estimate, Court House and Gaol, Algoma			1,000 00
October	17...	To paid Bank of Montreal to pay P. McEachern, Superintendent of Court House and Gaol, Algoma, salary for September, 1868.....			52 00
October	31...	To paid Richard Carney in full of all claims as Returning Officer, Electoral District of Algoma.....			62 75
July	10...	To paid Thos. H. Herrick six months' rent temporary Court House at Sault St. Mary, Algoma, to 30th June, 1868			200 00
July	10...	To paid William Hutchison on account of travelling expenses connected with Court House and Gaol, Algoma			100 00
					1,748 23
MUNICIPAL LOAN FUND CONSOLIDATED.					
November	20...	To paid Hon. E. B. Wood, Treasurer of Ontario, net proceeds of Municipal Loan Fund, from date of Confederation to 21st Oct., 1868.....			134,693 65
					\$1,380,191 88

JOHN LANGTON,
Auditor.

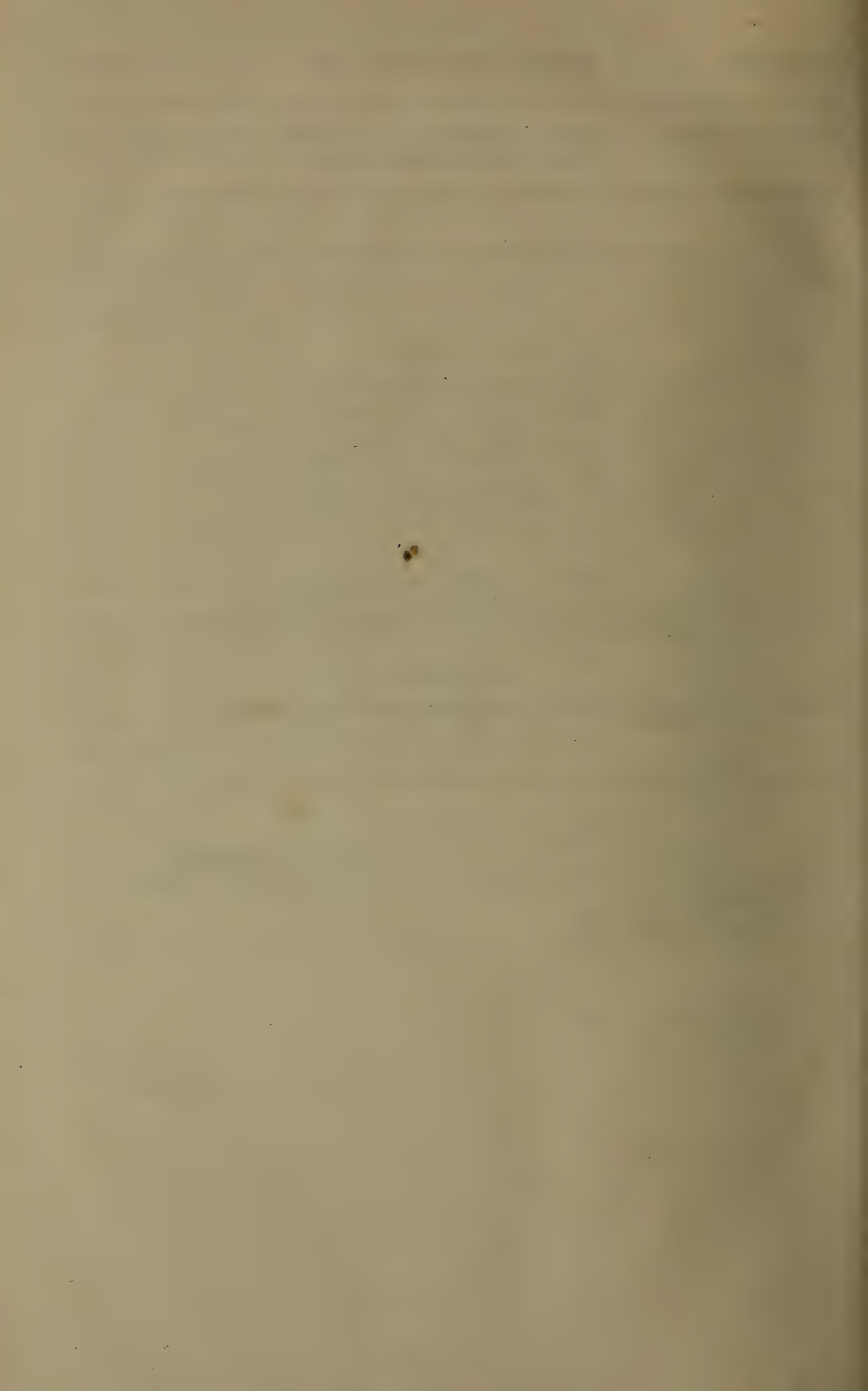
AUDIT OFFICE,
Ottawa, 10th June, 1869

ACCOUNT CURRENT on account of Subsidy of the Province of Quebec, from 1st July to 31st December, 1868.

			\$	cts.
1868.				
August	1...	To paid Hon. Christopher Dunkin, Treasurer, Province of Quebec.....	200,000	00
October	14...	do do do	200,000	00
December	12...	do do do	200,000	00
			\$	600,000 00
MISCELLANEOUS PAYMENTS.				
			\$	cts.
August	5...	To paid T. Coté, Collector, to pay Wm. Duval, of Arthabaskaville, Advocate, for professional services in suits against parties selling liquor without license, in 1867-68	101	07
August	24...	To paid Ph. Verreault, Collector Inland Revenue of Montmagny, due on his account for quarter ending 31st March, 1868.....	10	85
October	10...	To paid A. H. Verret in payment of his salary as Fire Loan Agent at Quebec, quarter ending to 30th September, 1868.....	250	00
				361 92
SPECIAL ACCOUNTS, REGISTRATION.				
December	26...	To paid Hon. Christopher Dunkin, Treasurer, to refund collected on Law Registration Stamps	4,251	74
LAW STAMPS.				
December	26...	To paid Hon. Christopher Dunkin, Treasurer, to refund collected on Law Stamps	1,071	12
			\$	605,684 78

JOHN LANGTON,
Auditor.

AUDIT OFFICE,
Ottawa, 10th June, 1869.



RETURN

To Two Addresses of the HOUSE OF COMMONS, dated 22nd and 29th April 1869; for copies of all correspondence which has passed since the 1st May last, between the Imperial Government, the Cabinet at Washington, and the Government of the Dominion of Canada, on the subject of the renewal of the Reciprocity Treaty with the United States, and of all negotiations entered upon in consequence of the abrogation of that Treaty; and

For copies of all correspondence and despatches between the Government of Canada and that of Great Britain, or with the British Ambassador at Washington, or other parties in the United States, since the 1st day of January, 1867, in reference to a renewal of the Reciprocity Treaty; and for copies of all Orders in Council on the same subject.

By Command.

HECTOR L. LANGEVIN,

Secretary of State.

DEPARTMENT OF THE SECRETARY OF STATE,

Ottawa, 14th May, 1869.

The Committee of Council have had under consideration a Despatch (No. 113), dated 14th November, 1867, from His Grace the Secretary of State for the Colonies, transmitting copies of correspondence with the Lieut. Governor of Prince Edward Island, on the subject of a recent Act of the Legislature of that Province, permitting the importation, free of duty, of Breadstuffs, the growth or produce of Canada, notwithstanding that the same may have passed through the United States.

They have also attentively considered the annexed Report of the Honorable the Minister of Finance, to whom the above mentioned Despatch and Enclosures were referred, and they respectfully submit their concurrence in the views and opinions therein expressed, and advise that a copy thereof be forwarded by Your Excellency to His Grace the Secretary of State for the Colonies.

(Signed,)

JOHN A. MACDONALD.

The Minister of Finance, to whom has been referred a Despatch of His Grace the Duke of Buckingham to His Excellency the Governor General, dated the 14th November last, transmitting copies of correspondence with the Lieut. Governor of Prince Edward Island, on a subject of a recent Act of the Legislature of that Province permitting the importation, free of duty, of Breadstuffs, the growth or produce of Canada, notwithstanding that the same may have passed through the United States, and in which Despatch His Grace states, that the objection entertained to the Act in question by the Lords of the Committee of Privy Council for Trade, on the ground that a system of differential duties is continued against British and Foreign Breadstuffs apply equally to the Law in force in Canada, and recommending

the accompanying observations of their Lordship to the consideration of the Government of Canada, has now the honor to report as follows:—

The question referred to by His Grace has formed the subject of repeated discussions between Canada and the other North American Colonies on the one hand and the Imperial Government on the other, since the year 1850. In that year, an Act was passed empowering the Governor in Council to permit the free entry into Canada of the products of any of the North American possessions; and though Earl Grey, then Secretary of State for the Colonies, called attention to its provisions, the Act would not appear to have been disallowed; and subsequently enactments of a similar kind have from time to time received the sanction of Parliament, and been left to their operation by Her Majesty's Government.

In the year 1860, when it was proposed to extend the then existing arrangements between the British North American Provinces so as to allow the reciprocal admission to one another of all articles of their respective growth or manufacture, free of duty, and to assimilate the several Tariffs of these Provinces. The Lords of the Committee of Privy Council for Trade recommended that it should be made a condition of the assent of Her Majesty's Government to the proposal in question, that any such exemption from import duty should be equally extended to all similar produce and manufacture of other countries.

To this proposed condition Canada took exception, and a Report of the Finance Minister, in which the views of the Canadian Government were fully stated, was adopted by the Executive Council on the 29th December, 1860, and was subsequently transmitted to the Secretary of State for the Colonies.

After due consideration of the views expressed in this Minute, Her Majesty's Government, in a Despatch from His Grace the Duke of Newcastle, dated 5th February, 1861, intimated that they "had no wish to offer an obstacle to any endeavours which might be made by the respective Provincial Governments to bring about a free Commercial Inter-course between the North American Provinces." Since that time the subject of Intercolonial Reciprocity has been discussed without any further remonstrance on the part of their Lordships, until the Despatch now under review was received.

The Minister of Finance does not consider it necessary to discuss the Policy or Impolicy as respects Canada or Prince Edward Island, of imposing a duty on Breadstuffs imported from Foreign Countries, because the renewed objections of My Lords are directed only to the differential character of the Legislation.

Neither is it needful to advert to the special reasons assigned by the Government of Prince Edward Island in explanation of their Policy in the Report of the Executive Council of the 4th September, 1867.

He would, however, respectfully call attention to the position in which the Dominion of Canada and the Province of Prince Edward Island now stand towards one another.

Her Majesty's Government have considered the Union of all the North American Provinces as a measure not only conducive to their own welfare but as one calculated to promote the interests of the British Empire. The late Provinces of Canada, Nova Scotia, and New Brunswick, are now politically and commercially one, and provision is made in the Act of the Imperial Parliament for the eventual admission of Prince Edward Island into the Union. It will be admitted that if the Political Union were once established between Canada and Prince Edward Island, the objections which My Lords raise to the Legislation in question would disappear. It will also be admitted that the reciprocal free exchange of natural products is one of the measures calculated to bring about that closer Union which it is the policy of Her Majesty's Government to promote. The Government of Prince Edward Island has by its Legislation evinced a desire to receive those products on terms reciprocally free with Canada, and this Act may be considered as an approach to closer relations with the New Dominion. It is equally certain that Prince Edward Island is so placed geographically that the products of Canada can at certain seasons reach her at least as conveniently through the United States as direct from Canada.

As regards the Legislation of Canada, the same observations apply even with greater force.

Grain and Breadstuffs as well as Animals, Timber, Fish and other natural products when the growth or produce of any of the North American Colonies are admitted free into Canada. The policy of the Government and Parliament of Canada has been as far as possible to consider the interests of the Provinces of British North America not as commercially

separate but as identical; and in view of the relations in which they now stand towards each other, and that negotiations for the complete Political Union of all these Provinces are expected to take place at an early day, the undersigned trusts that My Lords will not consider the objections taken in principle to the Legislation either of Canada or Prince Edward Island, as applicable to the actual circumstances in which they are placed.

(Signed,)

JOHN ROSE,
Minister of Finance.

OTTAWA, 13th January, 1868.

(Copy No. 8.)

Sir John Young to E. Thornton, Esq.

Ottawa, 14th January, 1868.

SIR,—I have the honor to acknowledge the receipt of Your Excellency's despatch No. 2, of the 9th instant, enclosing copies of two Resolutions of the Legislature of the State of Vermont, which have been presented to the H. of R., and ordered to be referred to the Committee on Commerce relative to Reciprocity of Trade with Canada, and the Navigation of Canadian Waters and Canals.

I have, &c.,

(Signed,)

JOHN YOUNG.

His Excellency,
E. THORNTON, Esq., C. B.,
Washington.

(Copy, No. 45.)

Mr. Thornton to Sir John Young.

WASHINGTON, 17th December, 1868.

SIR,—I have the honor to enclose for Your Excellency's information, copy of the Annual Report of the Secretary of the Treasury of the United States, which has just been presented to Congress. I venture to call Your Excellency's attention to the paragraph relative to the Reciprocity Treaty of June 4th, 1854, and shall be very grateful for any observations you may be pleased to make to me on the subject.

I have, &c.,

(Signed,)

EDWARD THORNTON.

His Excellency
The Right Honorable
Sir John Young, G. C. B.,
&c., &c., &c.

(Copy No. 3.)

Earl Granville to the Officer administering the Government of Canada.

DOWNING STREET, 29th December, 1868.

SIR,—I have the honor to inform you that Her Majesty will not be advised to exercise Her power of disallowance with respect to the recent Act of the Canadian Parliament entitled An Act to amend the Act of the last Session, entitled, An Act imposing duties of "Customs, with the Tariff of Duties payable under it."

Her Majesty's Government however trust that if ever the products referred to in the 6th section of this Act are admitted duty free from the United States, a similar immunity will be extended to the same products of the United Kingdom and of all Foreign Countries.

This course is indispensable in the case of those foreign countries which are entitled to most favoured Nation treatment in British possessions.

I have, &c.,

(Signed,)

GRANVILLE.

The Officer Administering
the Government of
Canada.

Reciprocity with United States.

DEPARTMENT OF JUSTICE,
OTTAWA, 4th January, 1869.

With reference to Mr. Thornton's Despatch of the 17th ultimo, on the subject of the paragraph in the Report of the Secretary of the Treasury of the United States, lately transmitted to Congress, relative to the Reciprocity Treaty, the undersigned has the honor to state, for the information of Your Excellency, that the Council think it inexpedient for the British Ambassador or the Canadian Government to take the initiative in re-opening negotiations at present. It is considered advisable to await the result of the action of the Committee of Ways and Means, to whom the subject has been referred by the House of Representatives. It is believed that a Report favourable to the renewal of negotiations will be adopted by the Committee, and Council think it desirable that we should await the publication of the Report and the action of the American Government upon it before any steps are taken on our behalf.

Should the United States Government express any desire for the renewal of the treaty, Canada will be prepared to send a delegation to Washington to act in concert with the British Ambassador on the subject. Meanwhile, Council think that it would be unwise for Canada to make any statements in advance of what she will be willing to do, and that the negotiations should be entered upon at Washington, without either party being hampered by any previous engagement or offers of any kind.

(Signed,) JOHN A. MACDONALD.

(Copy, No. 5.)

Sir John Young to E. Thornton, Esq.

GOVERNMENT HOUSE, OTTAWA,
CANADA, 7th January, 1869.

SIR,—I have the honor to acknowledge the receipt of Your Excellency's despatch No. 45, of date 17th December last, and to state in reply that I drew the attention of the Ministers of Canada to the paragraph relative to the Reciprocity Treaty in the Annual Report of the Secretary of the Treasury of the United States, and that after maturely weighing the bearings of the case and all that is stated in the paragraph above mentioned, they consider it advisable to await the result of the action of the Committee of Ways and Means to whom the subject has been referred by the House of Representatives.

I have, &c.,
(Signed,) JOHN YOUNG.

His Excellency
Edward Thornton, Esq., C. B.,
&c., &c., &c.,
Washington.

(Copy, No. 2.)

Edward Thornton to Sir John Young.

WASHINGTON, 9th January, 1869.

SIR,—I have the honor to transmit herewith, for Your Excellency's information, a copy of two resolutions of the Legislature of the State of Vermont, which were presented to the House of Representatives on the 6th instant by Mr. Poland, relative to reciprocity of trade with Canada, and the navigation of Canadian waters and canals, and transit across the Territory.

The Resolutions were ordered to be referred to the Committee on Commerce.

I have, &c.,
(Signed,) EDWARD THORNTON.

His Excellency
The Right Honorable
Sir John Young,
&c., &c., &c.

Joint resolution relating to Navigation between the United States and Canada.

Whereas the rapidly increasing commerce between the Eastern States and the Northwest is calling for more ample and cheaper transportation; and whereas also certain mutual privileges are now enjoyed by both Canada and the United States touching navigation and transportation, which ought on the part of the two Countries to be matured into rights: Therefore

Resolved by the Senate and House of Representatives, That if by treaty or otherwise, the full navigation of Canadian waters and the use of the Canadian canals by the shipping of the United States upon the same terms as by Canadian and British shipping, and the free transit by land of American merchandise across Canadian territory can be secured in exchange for like privileges to Canadian shipping in our waters and British and Canadian merchandise over our soil, our Senators and Representatives in Congress are urged to use their influence to bring about such an arrangement, and in such negotiation to secure if possible the construction of a Ship Canal connecting the St. Lawrence with Lake Champlain, and that our government in case the State of New York will consent thereto, offer in exchange therefor, to enlarge the Champlain Canal to the same proportions as that which shall connect the St. Lawrence and Lake Champlain, and allow the use thereof upon the same terms as are imposed upon American shipping.

Resolved, That the Governor of this State, be, and is hereby requested to transmit copies of this joint resolution to the Governors of Maine, New Hampshire, Massachusetts, Rhode Island, Connecticut, New York, Pennsylvania, Ohio, Indiana, Illinois, Michigan, Wisconsin, Minnesota and Iowa; also copies thereof to the Governor General of Canada and the President of the United States.

(Signed,)

GEORGE W. GRANDEY,
Speaker of the House of Representatives.
STEPHEN THOMAS,
President of the Senate.

Joint resolution concerning grants of public lands of the United States.

Whereas the government of the United States has from time to time granted large tracts of valuable lands to various, and almost all the Western and Southern States, for the purposes of aiding the education or internal improvements in those States; and whereas the State of Vermont, although at all times fully and completely doing her duty to the United States, has only in one instance been the recipient of such bounty and favor from the United States: Therefore, *Resolved* by the Senate and House of Representatives, That our Senators and Representatives in Congress are hereby requested to use their best endeavors to procure from the government of the United States such grants of unappropriated public lands for the aid and advancement of education, and for the promotion of internal improvements in the State of Vermont, as will be just and equitable.

Resolved, That the Secretary of State, be, and is hereby directed to transmit an authenticated copy of these resolutions to each Senator and Representative for Vermont in the Congress of the United States.

(Signed,)

GEORGE W. GRANDEY,
Speaker of the House of Representatives.
STEPHEN THOMAS,
President of the Senate.

(Copy, No. 171.)

Lord Monck to Duke of Buckingham.

QUEBEC, 15th September, 1868.

MY LORD DUKE,—Referring to Your Grace's despatch (No. 163) of 24th July, 1868 and enclosure, I have the honor to transmit for your information, an approved minute of the Privy Council of Canada, on the power reserved in the recent Customs Act of this Dominion to admit certain articles free of duty from the United States on terms of reciprocity with that Country.

The whole subject is stated so fully and clearly in the memorandum of the Finance Ministers on which the minute is founded, that I do not consider it necessary to trouble Your Grace with any observations of my own.

I have, &c.,

(Signed,)

MONCK.

His Grace the

Duke of Buckingham and Chandos,

&c., &c., &c.

Copy of a Report of a Committee of the Honorable the Privy Council, approved by His Excellency the Governor General on the 15th September, 1868.

The Committee of Council have had under consideration the annexed Report of the Honorable the Minister of Finance, upon the Despatch of His Grace the Secretary of State for the Colonies, on the subject of the admission of certain articles (under the recent Customs Act of the Dominion) duty free from the British American Provinces, not included in the Dominion. And on the power reserved therein to admit the like articles from the United States on terms of reciprocity with that Country. And they respectfully report their concurrence in the views expressed by the Finance Minister in his said Report, and submit the same for Your Excellency's approval.

(Certified,)

WM. H. LEE,
Clerk, Privy Council.

Confidential.

The Minister of Finance to whom has been referred the despatch of His Grace the Duke of Buckingham and Chandos, under date the 24th July, 1868, transmitting a copy of a letter from the Lords of the Committee of Privy Council for Trade, on the subject of the admission of certain articles (under the provision of the recent Customs Act of the Dominion of Canada) duty free, from the British American Provinces, not included in the Dominion, and on the power reserved by the same Act to admit the like articles, when the growth and product of the United States, either duty free or on reciprocal terms, so soon as the United States shall provide for the importation thereof on corresponding terms into that country,—has the honor to report:

The first of these objects has been already fully discussed by the undersigned in a report which he had the honor of laying before, and which was approved of by His Excellency in Council, on the 13th January last.

It is believed that the special circumstances which are set forth in that report, and the important political considerations which are involved, fully outweigh any objections which may be taken to the theoretical sanction given to the imposition of discriminating duties on the articles in question.

My Lords while reiterating the views expressed by them on former occasions on economical grounds, admit that the provisions in question are consistent with the policy heretofore pursued by the North American Provinces, and as His Grace the Colonial Secretary, intimates that he is not prepared to object to that policy, this portion of the despatch would not seem to call for further observation.

The second point as stated by His Grace, viz:

“the exclusive favor which substantially, or at all events, apparently might

“be conferred on the United States, if the clause providing for the admission

“of certain products of that country, in the event of certain contingencies,

“should come into operation;

and which His Grace is pleased to say:

“he fears could not be acceded to,” raises a question of such deep import to the people of this Dominion, that the undersigned deems it in his duty to advert to the course which has hitherto been pursued by Her Majesty's Government with reference to it, in the conviction that further consideration will lead His Grace to withdraw the objections, which by anticipation have been advanced.

The peculiar position in which Canada and the United States stand to each other makes it for their mutual interest to exchange certain articles on reciprocal terms.

The truth of this proposition has never been denied by Her Majesty's Government, but on the contrary their influence has been invariably exercised in furtherance of such reciprocal arrangements.

As early as 1848, Mr. Crampton, Her Majesty's representative at Washington, was instructed by Lord Palmerston to urge on the American Government the establishment of reciprocal Free Trade in natural products between Canada and the United States; and on the appointment of Sir Henry Bulwer, his successor in 1849, the Imperial Government specially directed him to continue those negotiations, to the successful termination of which, in the despatch of Lord Palmerston, it was stated Her Majesty's Government attached the very highest importance.

The consideration of the subject continued to be repeatedly pressed on the American Government between that time and the year 1854.

In the latter year the Treaty known as the Reciprocity Treaty, was finally concluded, admitting certain natural products of each country free into the other, without any qualification as to the differential or discriminating character of its provisions.

On the anticipated abrogation of that Treaty by the United States in 1865, Her Majesty's Government again lent the weight of their influence in favor of its continuance, and Her Majesty's representative at Washington was persistent in his efforts, as well to prevent its termination, as subsequently to effect its renewal.

Indeed, since the period of its abrogation by the action of the United States Congress, the propriety of its renewal has been an object of avowed solicitude on the part of the Imperial Government.

In 1865, the Delegates from Canada who visited England for the purpose of conferring with Her Majesty's Government on various important matters affecting the interests of the Dominion, were again assured that Sir Frederick Bruce, Her Majesty's Representative at Washington, had received instructions to negotiate for a renewal of the Treaty, and to act in concert with the Government of Canada to that end.

It thus appears that the principle of establishing special trade relations on reciprocal terms between Canada and the United States, has been uniformly recognized and approved of by Her Majesty's Government since the year 1848.

The question has, however, been raised by the Government of the United States, whether the arrangements ought properly to be effected by means of a Treaty, or in the form of reciprocal Legislation.

Objections were taken to the former course during the first negotiations in 1848, and in order to remove them, it was proposed that concurrent legislation should be had by Canada and the United States of America, under which the products of each country should be admitted free into the other. The two Bills proposed at that time, the one by Canada and the other by the United States, are almost identical in their terms with the clause to which My Lords now take exception.

It is worthy of note that the object and scope of the legislation then proposed by Canada, were specially brought under the notice of Her Majesty's Government, at the time; and in a Despatch from Earl Grey, then Secretary of State for the Colonies, to the Governor General of Canada, His Lordship states—"that Her Majesty's Government can have no objection to the repeal by the Provincial Legislature of the Duties enumerated in the Bill."

On that occasion the Lords of the Privy Council of Trade were pleased to observe, in reference to the reciprocal legislation proposed by Canada, to meet the provisions of a similar Bill then before Congress, that "My Lords considering the various interests in Canada which may be affected by the measure, and that the questions involved in it bear more upon the welfare of Canada than of Great Britain, recommend it to be left entirely to the decision of the Provincial Legislature." That Bill having been passed by the Legislature, was specially transmitted for the signification of Her Majesty's pleasure by the Governor General, and after full deliberation by the Imperial Government, and a consideration of its provisions by the Lords of the Committee of Privy Council for Trade, it was formally assented to by Her Majesty.

If any further approval of the character of the legislation were needed, it will be found in a Despatch of Lord Palmerston to Sir H. Bulwer, under date the 1st November, 1849,

in which His Lordship states,—“that Her Majesty’s Government regard it as of the very highest importance, both commercially and politically, that free admission to the market of the United States should be obtained for those articles which are enumerated in an Act passed in the last Session of the Canadian Parliament, of which I enclose a copy for your information.”

This is the same Act as that already referred to.

The exercise of the power conferred by that Bill was however prevented by the failure of Congress to pass its measure, and before reciprocal Legislation could be had, the Treaty of 1854 was entered into.

That Treaty afterwards received the formal sanction of the Imperial Parliament, (17th & 18th Vic. c. 3.)

On the expiry of the Treaty in 1865, negotiations took place for its renewal, and the question which had been originally raised by Mr. Clayton, the American Secretary of State, in 1848, as to whether Trade relations might properly and constitutionally be regulated by Treaty, was again raised by the American Government.

Mr. McCulloch, the distinguished Secretary of the Treasury in his Annual Report for 1865, thus adverts to the objections:—

“There are grave doubts whether Treaties of this character do not interfere with the legislative power of Congress, and especially with the constitutional power of the House of Representatives to originate Revenue Bills.”

“It is certain that in the arrangement of our complex system of revenue through the tariff and internal duties, the Treaty has been the source of no little embarrassment. The subject of the Revenue should not be embarrassed by treaty stipulations, but Congress should be left to act freely and independently. Any arrangement between the United States and the Canadas and Provinces, that may be considered mutually beneficial, can as readily be carried out by reciprocal legislation as by any other means. No complaint would then arise as to subsequent changes of laws, for each party would be free to act at all times, according to its discretion.

“It is desirable to diminish the temptations now existing for smuggling, and if the course suggested, of mutual legislation, should be adopted, a revenue system both internal and external, more in harmony with our own, might justly be anticipated from the action of our neighbours, by which this result would be most likely to be obtained.”

To meet the objection thus repeatedly urged by the Government of the United States, the clause in the Canada Customs Bill of 1868, to which His Grace calls attention, was inserted; the sole object of that clause being that Canada might by means of reciprocal legislation (in case the United States preferred that course) perform its part towards the accomplishment of an object, which, as has been shewn, Her Majesty’s Government had repeatedly urged on the United States, and sanctioned both by direct negotiation with that power, by the solemnity of a Treaty, and by a formal engagement with the Canadian Delegates.

The undersigned has felt it to be so important, that any negotiations which may take place with the United States for the re-establishment of free commercial intercourse between them and Canada, should be untrammelled, that he has perhaps entered at needless detail into a review of the past history of this question and possibly given rise to the impression that in carrying on these negotiations in the future, it is intended, or that it will be necessary to disregard the sound rules of political economy adverted to by My Lords, or practically to violate the International Treaty Engagements of Great Britain, entitling Foreign powers to participate in any concessions which Canada may grant to the United States.

If the obnoxious clause were put in operation, it would only renew in effect an almost identical provision in the Act of 1849, and in the Treaty of 1854.

In the correspondence adverted to in the Despatch of His Grace, which took place on the subject of the Treaty, it was shewn that its operation was not to put an end to, nor even to diminish in any sensible degree, the import from other places than the United States, of articles admitted free under its provisions, nor to subject either England or Foreign Countries, to any practical disadvantage in reference to the import of their products into Canada. Any exemptions which the United States and Canada might respectively find it for their advantage to accord could hardly in their very nature, influence the trade of either country with Foreign nations, since they would probably be limited to the interchange of those products of the two Countries, which, from their proximity, each might profitably interchange

with the other, but which neither would receive to any sensible extent from other nations, even if no reciprocal arrangements existed.

The enquiry made by His Grace touching the articles enumerated in schedule D, viz : "whether there would be any serious inconvenience to Canada, in the application of the same exemption from duty, to similar articles from all other Foreign Countries, and from Great Britain," in case Canada admitted them free from the United States, will be answered by the subjoined table which distinguishes the amount of duty collected on each of those articles,—the growth and produce of the United States,—the growth and produce of Great Britain,—and the growth and produce of Foreign Countries.

In conclusion, the undersigned trusts that as the circumstances of political exigency and the important national considerations which, as stated by Her Majesty's Government, led to the concluding of the former Treaty of Reciprocity with the United States, still exist,—and in even a greater degree than previous to the date of that Treaty,—and as the interests of Canada continue to be seriously affected, Her Majesty's Government will not refuse to give the same weight to these considerations as before; and that in any future negotiations between Canada and the United States, in reference to their trade relations, the Dominion will receive the co-operation and influence of Her Majesty's Government.

It will be the endeavor of Canada to see that they involve no substantial violation of the Treaty engagements of Great Britain, nor any practical departure from those sound economical principles, upon which the undersigned has already expressed his opinion they should be based.

JOHN ROSE,
Minister of Finance.

OTTAWA, 3rd September, 1868.

(Copy, No. 81.)

The Duke of Buckingham to Lord Monck.

DOWNING STREET, 2nd May, 1868.

MY LORD,—With reference to my despatch No. 72 of the 16th of April, calling for any remarks which might occur to you on the subject of a letter which I had received from the General Mining Association, I have the honor to enclose, for your information, a copy of an instruction which Lord Stanley has addressed to Her Majesty's Minister at Washington, on the question of the heavy duties imposed on the importation of Nova Scotia Coal into the United States.

I have, &c.,

(Signed,)

BUCKINGHAM & CHANDOS.

The Viscount Monck.

(Copy.)

Lord Stanley to Mr. Thornton.

FOREIGN OFFICE, 29th April, 1868.

SIR,—I enclose for your information, copy of a letter from the General Mining Association, calling my attention to the injury which has been inflicted on the coal producing interest of Nova Scotia by the abrogation of the Reciprocity Treaty, owing to the fact that whilst large quantities of American coal are imported into Canada duty free, the Nova Scotia coal is now only admitted into the United States upon payment of a duty of 1½ dollars per ton, in gold.

The facts thus stated appear to be consistent with the report on trade with the Canadian Provinces presented this year to the House of Representatives of the United States.

It is admitted in this Report, that whilst the Provinces of New Brunswick and Nova Scotia have suffered by the duty imposed in the United States on the importation of their coal—a duty "practically excluding" its sale in the United States Markets,—the American consumer has not thereby benefited; and as regards the proposal made to the Canadian Legislature for measures of retaliation in the shape of the imposition of a duty of 50 cents upon the importation of foreign coal into Canada, the report states that it is only doing "simple justice to the existing Government of Canada to acknowledge that it has strenuously opposed the ill considered attempts which have been made to induce the adoption by Parliament of any thing approaching a retaliatory policy". The liberality and good judgment "which that government has displayed since the confederation of the country in its commer-

"cial policy must have great weight, and will be fully appreciated by Congress in considering the subject of a liberalization of our Trade relations."

It thus appears on American authority that the tax on the importation of coal into the United States, has failed to benefit the American consumer, whilst it inflicts severe injury on the interests of the Canadian confederation which on its side is recognised as having dealt with the question on large and generous principles.

Her Majesty's Government are not aware how far the Government of the United States may be prepared to act on the recommendations of the report to which I have alluded that the existing state of things consequent on the abrogation of the Reciprocity Treaty should not be continued.

In the absence, however, of a discussion on the general question at issue, I have to instruct you to call the attention of the Government of the United States to the special grievance under which Nova Scotia now labours in regard to the importation of coal into the United States, and you will express the hope of Her Majesty's Government that steps may be taken to relieve Nova Scotia from a grievance which appears to produce no corresponding advantage to the interests of the United States.

I am, &c.,
(Signed,)

STANLEY.

E. Thornton, Esq., C. B.
&c., &c., &c.

(Copy.)

Mr. Bridge to Lord Stanley.

GENERAL MINING ASSOCIATION,
52, Old Broad Street,

LONDON, 28th April, 1868.

MY LORD,—I have the honor to enclose for your Lordship's perusal, the copy of a Memorial which has been addressed both to the Senate and House of Commons of the Dominion of Canada, by the Chairman and Board of Directors of the General Mining Association, drawing attention to the important fact, that whilst large quantities of American coal, chiefly from Pennsylvania and Ohio, are imported across the frontier into Canada, duty free; the Nova Scotia coal, since the abrogation of the Reciprocity Treaty, is only admitted into the United States upon payment of a duty of $1\frac{1}{4}$ dollars per ton, in gold.

The injurious effect of this proceeding upon the coal trade between Nova Scotia and the United States will be apparent to your Lordship, it being opposed to every principle of reciprocity in commercial dealings between the States and the British Provinces of America.

I am now requested earnestly to entreat that your Lordship will be pleased to draw the attention of the British Minister at Washington, to the circumstances herein set forth, and to direct that the matter may be brought under the notice of the American Government, with the view, if possible, to the restoration of free trade between Nova Scotia and America, either by treaty or by reciprocal Legislation.

I have, &c.,

(Signed,) A. C. BRIDGE, Chairman.

The Lord Stanley, M. P.,
&c., &c., &c.

(Copy.)

To the Honorable the House of Commons of the Dominion of Canada, in Parliament assembled.

The memorial of the Chairman and Board of Directors of the General Mining Association

Sherwell,

That your memorialists have been largely engaged for more than forty years in working certain of the coal mines situated at Pictou, in the Province of Nova Scotia, and at Sydney and Lingan in the island of Cape Breton under leases from the local Government.

That in the vigorous prosecution of their enterprise, your memorialists have expended a vast amount of capital in sinking pits, erecting foundries, machinery, and workshops, cons-

tructing railroads, steamboats, wharves and shipping places, and building houses, schools, and places of worship for the numerous workmen and their families located on the mines, thus giving to the establishments at each of the three principal collieries of the Association, all the solid improvements to be found in the best established works of a similar kind in Great Britain.

That the difficulties and discouragements which your memorialists had to contend with on the outset of the undertaking in a country where coal mining was comparatively in its infancy, and to which machinery of every kind had to be imported from England at a heavy expense, have been very great, and for the first twenty years of the existence of the Association, not one shilling of dividend or interest was paid to the proprietors.

That the establishment of the Reciprocity Treaty between the United States and the British Provinces, under which the Provincial coal was admitted into the States duty free, was undoubtedly the means of giving a powerful stimulus to coal mining speculations throughout Nova Scotia, the value and importance of which were perhaps never fully appreciated until the said Treaty was abrogated and a fixed duty thenceforward levied, of $1\frac{1}{4}$ dollar in gold on every ton of Nova Scotia coal since imported into America.

That it can hardly be necessary for your memorialists to point out that an Association which has disbursed in the Province more than £1,000,000 sterling in carrying out its operations, to the manifest benefit as well as the increase in the Revenue of the Colony, has a very strong and legitimate claim to the fostering care, support and encouragement of the Dominion of Canada, and that any measure injuriously affecting the welfare of the Association, will receive the prompt attention of the Government when brought before it in respectful and becoming terms.

That with this view, your memorialists earnestly beg to draw attention to the fact, that while the Nova Scotia coal is now only admitted into the markets of the United States on payment of a duty of $1\frac{1}{4}$ dollars per ton, in gold, vast quantities of American coal, principally from Pennsylvania and Ohio, are admitted into Canada duty free.

That your memorialists would venture most respectfully to submit that a more fitting or powerful argument could hardly be found for again opening negotiations for a renewal of the Reciprocity Treaty than is furnished by the important fact first stated.

Your memorialists therefore respectfully, but earnestly, pray that the Government will adopt such measures as they may judge expedient with the view of protecting the valuable and important coal mining interest of Nova Scotia from the hardship of being charged with a heavy duty on all coal imported into the markets of the United States, whilst American coal is being admitted into Canada in large quantities, duty free.

And your memorialists will ever pray, &c.

By order of the Board of Directors.

(Signed,)

ALFRED CHARLES BRIDGE,
General Mining Association,
52, Old Broad Street.

London, 27th April, 1868.

The Duke of Buckingham and Chandos to Lord Monck.

(Copy No. 72)

DOWNING STREET,
16th April, 1868.

MY LORD,—I have the honor to transmit to you, for your consideration, the enclosed copy of a letter from the General Mining Association representing the injury done to the coal trade by the duty imposed in the United States of $1\frac{1}{4}$ dollars per ton, in gold.

I shall be glad to receive any remarks that occur to you on this subject, which appears deserving of early attention.

I have, &c.,

(Signed,)

BUCKINGHAM & CHANDOS.

To the Governor,

The Right Honorable Viscount Monck,

&c., &c., &c.

(Copy.)

*Mr. Ford to Mr. Adderley.*GENERAL MINING ASSOCIATION,
52 Old Broad Street,

LONDON, 30th March, 1868.

SIR,—I have been instructed by the Board of Directors of this Association to bring under your notice the important fact that American coal in large quantities chiefly from Pennsylvania, is being imported across the frontier into Canada, duty free, whilst the Nova Scotia coal, in the working of which this Association has been for 35 years largely engaged, and upon which a vast capital has been already expended, is only admitted into the United States since the repeal of the Reciprocity Treaty on payment of a duty of $1\frac{1}{2}$ dollars per ton, in gold.

The hardship of this proceeding as respects its effects upon the local trade between Nova Scotia and the United States is so apparent, that the Directors believe it will be only necessary to draw the attention of Viscount Monck to the circumstances to insure his consideration of the most effective means for obtaining for the Nova Scotia coal that unrestricted access into the markets of the United States which is now afforded to the American coal by its admission into Canada duty free.

I have, &c..

(Signed,)

J. B. FORD,
Secretary.

The Right Honorable

C. B. Adderley,
&c., &c., &c.*The Duke of Buckingham and Chandos to Lord Monck.*

(Copy No. 87.)

DOWNING STREET,
9th May, 1868.

MY LORD,—I have the honor to enclose a copy of a report which has been presented to the United States House of Representatives relative to the trade between the United States and Canada.

Your Lordship will probably have seen this report already, but I forward a copy for your information in case it may not have come under your notice.

At page 12 of the report, your Lordship will find an important sentence acknowledging the reasonableness of the terms on which American fisherman are permitted to fish in British waters on the coast of the Dominion of Canada and of the adjacent Colonies.

I have, &c.,

(Signed,)

BUCKINGHAM & CHANDOS.

To the Governor,

The Right Honorable Viscount Monck,
&c., &c., &c.*The Duke of Buckingham and Chandos to Lord Monck.*

(Copy No. 163.)

DOWNING STREET,
24th July, 1868.

MY LORD,—On the receipt of your Lordships despatch No. 29, of the 27th February, accompanied by copies of the statutes of Canada for the first session of the Parliament of the Dominion, I communicated to the Board of Trade the Customs Act.

25th June, 1868. I enclose for your Lordship's information a copy of a letter received on the subject from the Board of Trade. This letter refers both to the admission of articles duty free from the British American Provinces not included in the Dominion, and also to the exclusive favor which substantially or at all events apparently might be conferred on the United States, if the clause providing for the admission of certain produce of that country in the event of certain contingencies should come into operation.

Mr. Secretary Labouchere,
No. 113, 15th July, 1856.

Sir E. Head,
No. 151, 3rd Nov., 1856.

Both of these topics have been the subject of past correspondence, and the latter one gave occasion to some important Despatches referred to in the margin.

Adverting to what has passed before, I am not prepared to object to the power taken to admit the produce of any of the neighbouring North American Provinces duty free.

With respect to the power taken to admit certain produce of the United States in the event of certain contingencies, you will perceive from the letter of the Board of Trade that the international engagements of this country with other powers, may entitle them to share in any such concession. I shall be glad to hear whether, supposing the case to arise in respect of the United States, there would be any serious inconvenience to Canada in the application of the same exemption from duty to similar articles imported from all other Foreign countries, and also from this country. I fear that no distinction could be agreed to.

I have the honor to be, my Lord,

Your Lordships,

Most obedient humble servant,

BUCKINGHAM & CHANDOS.

Governor, the Right Honorable Viscount Monck.

Mr. T. H. Farrer to Under Secretary of State, Colonial office.

(Copy.)

OFFICE OF COMMITTEE OF PRIVY COUNCIL FOR TRADE,

25th June, 1868.

SIR,—I am directed by the Lords of the Committee of Privy Council for trade to acknowledge the receipt of your letter of the 29th April, transmitting by direction of the Duke of Buckingham, for the consideration of this Board, copy of an Act passed by the Legislature of Canada in the month of December last, entitled "An Act imposing duties of Customs with the Tariff of duties payable under it."

In reply, I am to request that you will state to His Grace, that the only points which appear to my Lords to call for observations are :

1. The power reserved to admit the produce of all the North American Provinces generally duty free, and the actual exemption of such produce under schedule D.
2. The power taken to admit the articles under schedule D when of United States origin on condition of reciprocity.

The provisions in question are consistent with the policy heretofore pursued in the British North American Provinces, a policy to which, as the Secretary of State is aware, the Board of Trade have on former occasions objected.

And though their objections have not been held by Her Majesty's Government to be of sufficient weight to out-weigh considerations of a different and opposite nature, the Board of Trade think it right again to call attention to them, and to the economical laws on which they are based.

As regards the first of the above mentioned subjects, viz :—the special exemption from duty of produce of the North American Colonies, the views of the Board of Trade are fully stated in a letter to the Colonial office, dated the 14th March, 1860, and to that letter the Board of Trade desire to call the Secretary of State's attention.

As regards the second of the above points, viz : the power of making a reciprocity arrangement with the United States without any condition as to equal remission of duty on similar products of other countries, the views of the Board of Trade, have also been fully stated in the correspondence with the Colonial Office on the previous Reciprocity Treaty. On the present occasion the Board of Trade desire to refer to that correspondence, and also to call special attention to the following considerations.

Treaties have recently been made with several foreign countries, (Prussia and Austria for instance) stipulating "most favored nation treatment" for the produce of those countries, in all British possessions. If therefore Canada admits United States breadstuffs, &c., duty free, a similar exemption must be accorded to German and Hungarian produce, and the produce of all countries with whom similar Treaties have been made,—and, as a necessary consequence, the Canadian Act ought to be so framed as to enable or compel the Canadian

Government, in case of arrangements with the United States, to comply with the Treaties in question. But this is not all—if, as is to be hoped and expected, the International arrangements referred to become general, and if they take effect, as they must, in Canada, as well as in the other parts of the British Empire, the ultimate result may be that British produce, *i.e.* the produce of the United Kingdom and of British possessions not situate in North America, will be the only produce which is shut out, by differential duties, from consumption in Canada. Thus the old Colonial system, by which the trade of the Colonies was contracted and crippled in order to protect the manufacturers and traders of the mother country will be reversed, and the Colony will protect its own trade and manufactures at the cost of the mother country, whilst the mother country is, at the same time, submitting to heavy burdens of another kind for the defence and protection of the colony. It is for the Secretary of State to consider whether this is a result which should be sanctioned by Her Majesty's Government, as it must necessarily be, if this bill receives unqualified approval.

I have, &c.,

(Signed,)

T. H. FARRER,

The Under Secretary of State,

&c., &c., &c.

Colonial Office.

Mr. Thornton to Lord Monck.

(Copy—No. 12.)

WASHINGTON, April 9th, 1868.

MY LORD,—I have the honor to transmit herewith for Your Excellency's information, copy of a Report which at the request of the House of Representatives of the United States, has been furnished by the Secretary of the Treasury relative to the effect upon American interests of the cessation of Reciprocity Treaty, to the navigation of the St. Lawrence, and to the privilege of fishing in Canadian waters.

Should Your Excellency be in possession of any documents upon the same subject, published by the Government of the Dominion, they would be very interesting, and I should be glad to have them.

I have, &c.,

(Signed,)

E. THORNTON.

To His Excellency

Viscount Monck,

&c., &c., &c.

Copy No. 16.)

Lord Monck to Mr. Thornton.

OTTAWA, April 14, 1868.

SIR,—I have the honor to acknowledge with thanks the receipt of your despatch (No. 12) of the 9th instant, transmitting a copy of the report from the Secretary of the Treasury of the U. S., relative to the effect upon American interests of the cessation of the Reciprocity Treaty.

I do not think that there are any documents published by the Government of Canada bearing directly on this question, but I transmit to you a copy of a compilation of statistics, called "The Year Book of Canada," which may be of use to you in reference to this and other subjects.

I have, &c.,

(Signed,)

MONCK.

His Excellency

E. Thornton, Esq., C. B.,

&c., &c., &c.

(Copy—No. 58.)

DOWNING STREET, 25th March, 1868.

MY LORD,—I have the honor to acknowledge the receipt of Your Lordship's despatch No. 19, of the 25th January last, forwarding an approved minute of the Privy Council of

Canada on the subject of the state of the Law within the Dominion in reference to the duties on the importation of Breadstuffs, the growth of British Colonies.

I have, &c.,
(Signed,) BUCKINGHAM & CHANDOS.

Governor,
The Right Honorable
Viscount Monck,
&c., &c., &c.

The Duke of Buckingham and Chandos to Lord Monck.

(Copy.—Canada.—No. 113.)

DOWNING STREET, 14th November, 1867.

P. E. I. Act, Cap. II. of 1867.
Board of Trade.
8th July, 1867.
Despatch to Governor P. E. I.
No. 21. 26 July, 1867.
Govr. No. 77. 10 Sept., 1867.
Despatch to Governor.

MY LORD,—I have the honor to transmit to your Lordship, copies of the correspondence noted in the margin on the subject of a recent Act of the Legislature of Prince Edward Island, whereby a system of differential duties is continued against British and Foreign breadstuffs imported into that Island.

It appears that the objections entertained to this Act by the Lords of the Committee of Privy Council for Trade, apply equally to the law in force in Canada on the subject, and I beg to recommend their Lordship's observations to the consideration of yourself and of your Government.

I have, &c.,
(Signed,) BUCKINGHAM & CHANDOS.

Governor
The Right Honorable
Viscount Monck,
&c., &c., &c.

(Copy.)—L. S.

CAP. II.

19 Vic. Cap. 1.

An Act to alter a certain Act therein mentioned relating to the Revenue.
"Passed May 17th, 1867."

Whereas it is expedient that grain and bread-stuff, the produce of Canada shall be admitted into this Island free of duty, notwithstanding the same may have passed through the United States, provided the same be imported direct from Canada.

Grain and Bread-stuffs, the product of Canada, free of duty although imported through U. S., &c. I. Be it therefore enacted by the Lieut. Governor, Council and Assembly as follows:—Grain and bread-stuffs of all kinds, the growth or production of Canada, shall be admitted into this Island free of duty, when imported from the said Province of Canada, notwithstanding the same may have passed or been shipped through the United States, on its way to this Island, provided the same be

On production of certain certificates, &c.

not purchased in the United States, and provided the owner, importer or consigner of such grain and bread-stuffs shall produce to the Collector of Import and Excise for the port where the same are landed, a certificate duly authenticated under the hand of the proper Customs Officer or Officers in Canada, certifying that the same are the growth or produce of Canada, and also certificates to the satisfaction of such Collector, Import and Excise, that the same have not been purchased in the United States.

Anything in the 19th Vic. Cap. 1, Sect. 8, inconsistent therewith repealed.

II. Anything contained in the 8th Sect. of the 19th Vic. Cap. 1, intituled "An Act for raising a Revenue and to consolidate and amend several Acts therein mentioned, contrary to the provisions of this Act, shall be and the same is hereby repealed."

Continuance of this Act.

III. This Act shall continue and be in force so long as the Act passed during the present Session of the Legislature intituled "An Act for raising a Revenue shall continue in force, and no longer.

Mr. Herbert to the Under Secretary of State, Colonial Office.

(Copy,)

OFFICE OF COMMITTEE OF PRIVY COUNCIL FOR TRADE,
Whitehall 8th July, 1867.

SIR.—I am directed by the Lords of the Committee of Privy Council for Trade, to acknowledge the receipt of your letter of the 25th ultimo, transmitting by desire of the Secretary of State for the Colonies, a copy of two Acts passed by the Legislature of Prince Edward Island, entituled;

1st. An Act for raising a Revenue, and 2nd, an Act to alter a certain Act therein mentioned relating to the Revenue, and in reply I am to request that you will state to the Duke of Buckingham, that my Lords see no objection to the first mentioned Act being left in operation, but they would point out, for His Grace's consideration, the fact that by Act No. 2, Canadian corn and bread-stuffs, imported through the United States, Via. Portland, &c., are exempted from duty, whilst corn grown in the United States is taxed. As this is merely extending the provisions of the Act of 1856, (19, Vic. Cap. 1, Sect. 8,) which permitted Canadian corn and other produce of the British North American Colonies to enter Prince Edward Island free of duty when imported from British possessions in North America, my Lords are not prepared to recommend that the Act should be decisively disallowed; but they think that the objections in principle to such Legislation should be distinctly pointed out, and they also think that it is peculiarly unfortunate at the present moment, and is likely to stimulate and encourage the United States in the adoption of a retaliatory and protecting policy.

I have &c.,

(Signed,)

ROBERT G. W. HERBERT.

The Under Secretary of State,
Colonial Office.

The Duke of Buckingham to Lieutenant Governor Dundas, Prince Edward Island.

(Copy, No. 21.)

DOWNING STREET,
26th July, 1867.

SIR,—I had under my consideration that Act Cap. II. passed by the Legislature of Prince Edward Island in May, 1867, entituled "An Act to alter a certain Act therein mentioned relating to the Revenue."

8th July, 1867. Fully concurring in the views expressed by the Lords of the Committee of Privy Council for Trade, in the letter of which I enclose a copy, I have to request that you will press upon the consideration of your Council the objections their Lordships entertain to the principle of this Act.

I have further to point out to you that no explanation of the reasons which may have induced the Provincial Legislature to extend the provisions of the Revenue Act of 1856, is supplied by your Despatch or by the Report of the Attorney General which accompanies it, and in the absence of such information, I am unable to tender any advice on the subject of the present Law.

I have &c.,

(Signed.)

BUCKINGHAM AND CHANDOS.

Lieutenant Governor Dundas,
&c., &c., &c.,

Lieutenant Governor Dundas to the Duke of Buckingham and Chandos.

(Copy.—No. 77.)

GOVERNMENT HOUSE,
PRINCE EDWARD ISLAND,
10th September, 1867.

MY LORD DUKE,—I have the honor to acknowledge the receipt of your despatch No. 21, of the 26th July last, enclosing a letter from Mr. Herbert.

Mr. Herbert's letter contains the views expressed by the Lords of the Privy Council for Trade, on the subject of two Acts of the Local Legislature of this Island, but more especially

with regard to one of these Acts which exempts from duty, Canadian corn and breadstuffs imported through the United States *via* Portland, &c.

I have laid Your Grace's despatch and its enclosure before my Government, and directed their attention to the objections urged against the principle of the Act in question.

I have now the honor to transmit copy of an approved Report, drawn up by a Committee of the Executive Council appointed for the consideration of this matter.

My Government trusts that the reasons expressed in this Report, for the adoption of the Act in question, may be considered satisfactory by Your Grace.

I can add but little to what is stated in this report. It would seem that a desire to encourage a line of steamers, owned by Americans plying between Portland and Charlotte-town, had much to do with inducing the Provincial Legislature to extend the provisions of the Revenue Act of 1856.

This line of steamers is of great importance to the Colony, and it has suffered severely since the abrogation of the Reciprocity Treaty, which has checked the exportation of the Island produce to the United States, by subjecting that produce to heavy duties.

The arrangement in question, therefore, by which Canadian breadstuffs passing through the States are untaxed here, affords satisfaction to the owners of these vessels, while it adds to the traffic of those American lines of Railway over which the Canadian flour passes.

I am told by the United States Consul resident here, that he regards the Act in question as one friendly to American interests, and by no means calculated to rouse resentment or ill feeling.

This opinion, he adds, is shared by all American citizens to whom he has mentioned the subject.

I have, &c.,
(Signed,)

GEORGE DUNDAS,
Lieut. Governor.

His Grace,
The Duke of Buckingham & Chandos.

COPY of a Report of a Committee of the Executive Council, approved by His Excellency the Lieutenant Governor in Council, on the 4th September, 1867.

The Committee of Council having had under consideration, copy of a letter from Mr Herbert to the Under Secretary of State for the Colonies, dated 8th July, 1867, and also copy of a despatch from His Grace the Duke of Buckingham and Chandos, dated Downing Street, 26th July, 1867. No. 21, to His Excellency Lieutenant Governor Dundas, in reference—First to an Act for raising a Revenue; and Secondly, to an Act to alter a certain Act therein mentioned relating to the Revenue, by which it appears that their Lordships of the Committee of the Privy Council for Trade see no objection to the first Act being left in operation, but disapproves of the principle of the Act referred to as No. 2, which allows Canadian corn and breadstuffs imported through the United States *via* Portland, &c., to come into this Island duty free, whilst corn grown in the United States is taxed, which their Lordships think is peculiarly unfortunate at the present moment, and is likely to stimulate and encourage the United States in the adoption of a retaliatory and protective policy. The following remarks in reference to the above Acts are respectfully submitted.

Under the first Act, entitled "An Act for raising a Revenue," flour is liable to a duty of one shilling sterling per barrel from all countries, but this Island having a Reciprocity Treaty with Canada and the other North American Provinces, as set forth in the Act of 19th Victoria, Cap. 1, the articles mentioned in the Reciprocal list form an exception to the duty which is imposed alike on goods from all countries except those which reciprocate with this Island.

At the late Session of the Legislature, it was found after passing the Act for raising a Revenue, that Canadian flour could be brought into this Island very advantageously *via* Portland, and per American Line of Steamers running to this Island; but the fact of Canadian flour being subjected to a duty on account of passing through a country not reciprocating when in course of transit for the Island, was found to be highly prejudicial to the interest of the Shareholders in this line of Steamboats, and calculated to divert a large portion of their freight to some other route.

It was also deemed desirable to offer every possible inducement for those boats to continue running to the Island, as they assisted materially in developing the resources of the country, and it was in some measure for the purpose of encouraging them to continue on this route that the Act referred to was passed, and not with a view of retaliation on the Americans for the repeal of the Reciprocity Treaty and their subsequent high Tariff.

The Legislature had also in view the necessity of raising sufficient revenue to meet their ordinary expenditure, and did not deem it advisable to discontinue a tax, which although small in itself, had last year brought a considerable sum into the Treasury, as duty collected on breadstuffs imported from Countries not reciprocating with this Island.

The Committee would also observe that Canadian goods are allowed to pass through American Territory in transit for other Countries, and also that British goods pass in the same way to Canada without being subjected to the American Tariff. The Americans thus get the carrying Trade on goods which would not pass through their hands if they imposed a duty on them.

In like manner, they now by the passing of the Act referred to, get the carrying trade, which, if we had not slightly extended the provisions of the Act of 19th Victoria, Cap. 1, would not pass over their lines.

The Committee are therefore of opinion that so far from the passing of this Act, being "likely to stimulate and encourage the United States in the adoption of a retaliating and protective policy," it is and must be regarded by Americans as beneficial to their interests.

Certified,

(Signed,) R. DESBRISAY,
A. C. C.

(Copy, No. 28.)

The Duke of Buckingham and Chandos to Lt. Governor Dundas, Prince Edward Island.

DOWNING STREET,

14th November, 1867.

SIR,—I referred to the Lords of the Committee of Privy Council for Trade, a copy of your despatch No. 77, of the 10th of September, with the Report which accompanied it from a Committee of the Executive Council relative to the objections entertained by their Lordships to the Act of the Legislature of Prince Edward Island, entitled "An Act to alter a Cap. 2, of 1867. certain Act therein mentioned relating to the Revenue.

I have the honor to enclose for your information and consideration, a copy of the letter 31st Oct., 1867. which has been received in reply.

I have, &c.,

(Signed,) BUCKINGHAM & CHANDOS.

Lt. Governor Dundas.

RETURN

To an ADDRESS OF THE HOUSE OF COMMONS, dated 13th May, 1869 ; for all correspondence relative to the death of Dr. Hogan on the Nova Scotia Railway, in September, 1867.

By Command.

HECTOR L. LANGEVIN,

Secretary of State.

DEPARTMENT OF THE SECRETARY OF STATE,
Ottawa, 21st May, 1869.

RETURN

To an ADDRESS OF THE HOUSE OF COMMONS, dated 13th May, 1869 ; For all Correspondence between the Dominion and Local Government of New Brunswick relating to subsidies provided by the Act of 1864 for construction of Railways in New Brunswick, relating to the subsidy provided under the sixth section of said Act ; also the subsidy provided under the first section of the said Act to connect the European and North American Railway with Hilsborough, in the County Albert.

By command.

HECTOR L. LANGEVIN,

Secretary of State.

DEPARTMENT OF THE SECRETARY OF STATE,
Ottawa, 2nd June, 1869.

RETURN

To an ADDRESS OF THE HOUSE OF COMMONS, dated 26th April, 1869; For the names of Commissioners or others named or appointed for rendering uniform the laws; the salaries to be paid to each person so employed, and the amount already paid and to whom.

By Command.

HECTOR L. LANGEVIN,

Secretary of State.

DEPARTMENT OF THE SECRETARY OF STATE,

Ottawa, 4th June, 1869.

M E S S A G E.

JOHN YOUNG,

His Excellency the Governor General transmits for the information of the HOUSE OF COMMONS, a copy of a Despatch from the Governor of Newfoundland, dated the 20th March, 1869, forwarding copies of Resolutions passed by the Council and Assembly of the Colony of Newfoundland, stating the terms upon which they would consider it expedient to join the Dominion of Canada. He also transmits the Resolutions referred to in the despatch.

GOVERNMENT HOUSE,
OTTAWA, 21st April, 1860.

The Governor of Newfoundland to the Governor General.

(Copy—No. 73.)

GOVERNMENT HOUSE,
NEWFOUNDLAND, 20th March, 1869.

SIR,—I have the honor to forward to Your Excellency printed copies of Resolutions which have been passed by the Council and Assembly of this Colony, stating the terms upon which they would consider it expedient to join the Dominion of *Canada*.

2. It is proposed by my Advisers that a delegation should proceed to *Ottawa* at the termination of our Legislative Session, for the purpose of explaining the views which are embodied in these Resolutions, and arriving at an agreement with your Government on the contemplated arrangement, which it is to be hoped will not present many points of difficulty. I trust that the Delegation will be able to leave *Newfoundland* by the last mail steamer in April or the first of May.

I have, &c.,

(Signed,) A. MUSGRAVE.

The Right Hon.

Sir John Young, Bart., G. C. B., G. C. M. G.,
&c., &c., &c.

RESOLUTIONS adopted in Committee of the Whole on the subject of Union of this Colony with the Dominion of *Canada*.

Preamble.

Whereas by the Imperial Act, 30th and 31st Victoria, Chapter 3, entitled "An Act for the Union of *Canada*, *Nova Scotia* and *New Brunswick*, and for purposes connected therewith," provision is made for the admission of this Colony into the Union; it is therefore

1. *Resolved*,—That it is expedient that this Colony should enter into the said Union as part of the Dominion of *Canada*, if an arrangement can be effected therefor, on fair and equitable terms.

It is the opinion of this Committee that in accordance with the general provisions of the *Quebec Resolutions* of 1864, and the said Act, as well as in addition to the same, and in modification thereof, the terms hereinafter specified would, as regards this Colony, form a just basis for arrangement.

Expenses paid by Canada.

2. The charges for the several Officers, Departments, and Services enumerated in Schedule A shall be annually defrayed by the Government of the Dominion, together with the just claims of this Colony for other charges and concessions of like character with those borne or made by the Dominion with reference to the other Provinces.

Public Debt.

3. The Public Debt and Liabilities of this Colony shall be assumed by the Dominion Government, and shall be chargeable as those of the other Provinces of the Dominion.

Subsidies.

4. There shall be annually allowed by the said Government to the Government of this Colony for the support of local Institutions,—

1. The sum of eighty cents per head on the present population, and to increase with the population up to the number provided for the Provinces of *Nova Scotia* and *New Brunswick*. 2. The interest of five per cent on the difference between the actual amount of the Debt of this Colony at the time of the Union, and the average amount of indebtedness per head of the population of *Canada*, *Nova Scotia* and *New Brunswick*. 3. The annual subsidy to which this Colony would be entitled by 118th Section of the said Act; and, 4th, the sum of \$175,000, in consideration of the transfer to the General Government of the ungranted and unoccupied Lands, Mines, and Minerals of this Colony.

Reserved Rights, &c.

5. The transfer mentioned in the foregoing Resolution is subject to the proviso, that there be reserved to the Colony the right of opening, constructing and controlling Roads and Bridges through any of the said Lands; and the privilege heretofore exercised by the people of cutting wood on ungranted Lands; and subject further to the Reservations and Provisoes contained in the seventh and eighth Sections of the Local Act 7th Victoria, Chapter 1.

6. The preferable claims of Fishermen and Current Suppliers by the present Insolvency Law of this Colony shall be maintained, unless hereafter altered by Local enactment.

Exemption from Export Tax.

7. No tax shall be imposed on the Exports of this Colony, unless a similar tax be levied on all the staple products of the other Provinces of the Dominion.

Local Defence.

8. From the condition of the people scattered along the coast and their avocations in the Fisheries requiring their absence from home during a great part of the year, it is the opinion of this Committee that a Militia Service would be unsuited to their circumstances; but it is believed that an efficient Naval Reserve Force may be established on a satisfactory basis, and an increase in numbers and greater efficiency given to the present Volunteer organization. In the isolated and undefended position of this Island the maintenance of a Garrison force in St. John's as at present is indispensable.

Fisheries.

9. As the Dominion Government has by the said Act control over sea coast and inland Fisheries, and as the present staple industry of this Colony is its Fisheries, and their encouragement would be mutually advantageous; and as certain branches thereof, particularly the Herring and Salmon Fisheries, require encouragement and improvement to increase their industrial and commercial value, their prosecution should be stimulated by *special subsidy from the General Government*. In any Customs Act of the Dominion Importers of dried Fish shall be subject to the Provisions contained in the third Section of the Act of this Colony, 31st Victoria, Cap 1.

Water Companies' Stock.

10. As the right of the Colony to impose a tax on coal, as at present for the purposes of the General Water Company, will cease after the Union of this Colony with *Canada*, the Dominion Government shall relieve the Company of its liability for the payment of the interest on the Stock of the said Company to the extent of \$200,000.

Steam Communication.

11. There shall be provided by the General Government an efficient Mail Steam Service between the United Kingdom, this Colony and *Canada* a line of Steam Boats for cargo and passengers between *Montreal* and *St. John's* during the season of navigation; the obligations of the Colony in respect of the present Mail Service with *Halifax* shall be undertaken by the Government of the Dominion, and Winter Steam Communication with *Halifax* shall be always maintained. There shall be an efficient Coastal Steam Service, including the *Labrador*, in connection with the Post Office, maintained by the Government of the Dominion.

Appeal to the people.

12. That no final arrangement shall be made for the admission of this Colony into the Union until an appeal be made to the people at the next General Election.

That these Resolutions be sent to the Legislative Council for their concurrence.

[Passed the House of Assembly 5th March, 1869.]

W. V. WHITEWAY,
Speaker.

[Passed the Legislative Council 16th March, 1869.]

EDWARD MORRIS,
Senior Member present presiding.

SCHEDULE A.

Charges to be borne by Dominion Government.

Governor and Secretary.....	\$10,524	
Keeper of Lodge.....	277	
Fuel and Light, Government House.....	924—	\$ 11,725 00
Customs' Department.....		36,127 69
Surveyor-General and Staff.....		3,064 15
Three Judges Supreme Court.....		9,923 08
Circuit of Judges.....		3,400 00
Labrador Judge and Bailiff.....		1,130 00
Judges of District Courts.....		
Postal Department (net amount).....		8,645 00
Interest on Debt.....		56,578 00
Coastal Steam Service.....		25,662 00
Protection of Fisheries.....		2,600 00
Volunteer Force.....		1,200 00
Halifax Mail Service.....		21,600 00
Geological Survey.....		2,500 00
Light-Houses.....		22,000 00
		<hr/>
		\$206,154 92

Assets applicable to purposes of Local Government.

Interest on \$25 per head for 130,000 inhabitants, \$3,250,000, at 5 per cent	\$162,500	
Less, Interest on Public Debt.....	56,578—	\$105,922
Eighty cents per head on 130,000, subject to Census.....		104,000
Grant for surrender of Crown Lands.....		175,000
Grant for additional subsidy, subject to arrangement.....		24,000
		<hr/>
		\$408,922

MESSAGE.

JOHN YOUNG,

The Governor General transmits for the information of the House of Commons, the Copy of Minutes of a Conference between a Committee of the Privy Council of Canada and certain Delegates from the Colony of Newfoundland, on the subject of the Union of that Colony with the Dominion of Canada, and of the Resolutions adopted by them as the basis of such union.

He also transmits the copy of a Minute of the Privy Council of Canada, approved by him on the 4th June instant.

All which he recommends to the favorable consideration of this House.

GOVERNMENT HOUSE,
June, 1869.

Copy of a Report of a Committee of the Honorable the Privy Council approved by His Excellency the Governor General in Council on the 4th June, 1869.

The Committee of Council have had under consideration the annexed Minutes of Conference between the Committee of the Privy Council appointed to confer with the delegates from the Colony of Newfoundland on the subject of a Union of that Province with the Dominion of Canada.

The Committee approve of the Minutes of the said Conference, and recommend that Resolutions in those particulars on which a vote of Parliament is required, be submitted for its approval.

The Committee also fully concur in the further Minutes appended to the said Resolutions on the subject of export duties and defence, and desire to confirm the assurances therein given with reference to these questions.

Certified.

WM. H. LEE,
Clerk Privy Council.

Minutes of Conference between the Committee of the Privy Council of Canada and the undersigned Delegates from the Colony of Newfoundland, on the subject of a Union of that Province with the Dominion of Canada.

1. Canada shall be liable for the debts and liabilities of Newfoundland, existing at the time of the Union.

2. For the purpose of placing the interest on the public debt of Newfoundland on the same footing as that of the other Provinces, Canada will, on the request of the Lieutenant Governor and Council of Newfoundland, make arrangements to substitute in lieu of the existing securities which now represent the public debt of Newfoundland, the Bonds or Stock, either of the late Province of Canada, or of the Provinces of New Brunswick or Nova Scotia, issued before the 1st July, 1867; and will further endeavor to provide that the securities of Newfoundland shall be placed on the same footing as those of the other Provinces, as investments in which the Sinking Funds of any portion of the Debts for which Canada is now responsible, may be made.

3. Newfoundland not having incurred debts equal to those of the other Provinces now constituting the Dominion, shall be entitled to receive, by half yearly payments, in advance from the General Government, interest at the rate of 5 per cent. per annum on the difference between the actual amount of its indebtedness and the indebtedness per head of the population of Nova Scotia and New Brunswick; the population of Newfoundland being estimated at 130,000.

4. In consideration of the transfer to the General Parliament of the powers of taxation, the following sums shall be paid yearly by Canada to Newfoundland, for the support of its Government and Legislature, to wit:—\$35,000, and an annual grant equal to 80 cents per head of the aforesaid population, both half yearly in advance. Such grant of 80 cents per head to be augmented in proportion to the increase of population, as may be shewn by each subsequent decennial census, until the population amounts to 400,000, at which rate such grant shall thereafter remain; it being understood that the first census shall be taken in the year 1871.

5. In consideration of the transfer to the General Government by Newfoundland of the now ungranted and unoccupied lands, mines, and minerals of the Colony, it is agreed that the sum of \$150,000 shall each year be paid to Newfoundland by semi-annual payments, in advance; and that Colony shall retain the right of opening, constructing and controlling roads and bridges through any of the said lands, and that the privilege heretofore enjoyed by the inhabitants of Newfoundland of cutting (free of charge) wood on the ungranted lands of the Crown, shall continue to be exercised by them in like manner free of charge, but the aforesaid reservations shall be subject to such regulations as may, from time to time, be passed by the Lieutenant-Governor of Newfoundland, in Council, and which regulations shall be subject to the approval of the Governor General in Council.

Such surrender shall also be subject to the reservations and provisos contained in the 7th and 8th Sections of the Act of the Legislature of Newfoundland, 7 Vic., cap. 1, but these shall in like manner be at all times subject to approval as aforesaid.

6. It shall be optional, however, for Newfoundland, before entering the Union, to reserve to itself all the lands and rights conveyed to the General Government by the last preceding clause, and in that case Canada shall be relieved of the payment of the aforesaid sum of \$150,000 per annum.

7. The encouragement, benefits, and protection accorded by the Dominion to fisheries in other parts thereof shall be extended to the fisheries of Newfoundland, and unless Parliament shall make other provision, the provisions of the Act of the Legislature of Newfoundland, 31 Vic., cap. 1, sec. 3, shall remain in force.

8. In addition to the present local water rates and assessments in the Town of St. John, the water dues now payable by vessels entering that harbour, as well as the present duty on coal entering the said harbour, shall be available to Newfoundland, and be applied in reduction of the interest for which Newfoundland is now responsible in respect of its liability toward the General Water Company. Such duties on coal, and water dues shall be subject to adjustment from time to time by the Legislature of Newfoundland. On an address of such Legislature to that effect, the Dominion Government will issue Bonds bearing interest at 5 per cent per annum, maturing not less than 15 years from the dates thereof, to be delivered to the Government of Newfoundland for the purpose of funding the aforesaid liability to the said General Water Company. On a like address, the Dominion Government will also issue Bonds to fund the liability contracted in respect of the Harbour Grace Water Company, all such sums being charged to Newfoundland as part of its debt.

9. The Dominion will provide an efficient Mail Service between the present Dominion, Newfoundland, and the United Kingdom, by steamers adapted and giving adequate facilities for the conveyance of passengers and cargo.

The obligations of Newfoundland with respect to the present Mail Service between Newfoundland and Halifax will be undertaken by the Government of the Dominion, and on the expiry of existing arrangements, other provision will be made for maintaining the services in a manner equally advantageous to Newfoundland.

Efficient coast steam service, including Labrador, in connection with the Post Office, will be established and maintained by the Government of the Dominion.

10. Canada will assume and defray the charges for the following services:

a. Salary of the Lieutenant-Governor.

b. Salaries and allowances of the Judges of the Superior Court, the Judges of District Courts, and the Labrador Judge and Bailiff.

c. The charges in respect of the Department of Customs.

- d. Postal Department.
- e. Protection of Fisheries.
- f. Provision for Volunteer Militia, and Naval Brigade Force.
- g. Light Houses, Shipwrecked Crews, Quarantine and Marine Hospitals.
- h. The Surveyor-General and his Staff [in case the lands shall be transferred].
- i. The Geological Survey.
- j. The Penitentiary.

And such further charges as may be incident to and connected with the services, which by the British North America Act, 1867, appertain to the General Government, and as are or may be allowed to the other Provinces.

11. No exceptional tax shall be imposed on any of the exports of Newfoundland.

12. Newfoundland shall, in case the Union take place, previous to the next census in the year 1871, be entitled to be represented by eight Members in the House of Commons, and thereafter the representation shall be subject to the provisions of the British North America Act, 1867.

13. The Union shall take effect on such day as Her Majesty, by order in Council, on an Address to that effect, in terms of the 146th section of the British North America Act, 1867, may direct, and Newfoundland may in such Address specify the divisions, if any, for which any of the four Senators to which that colony is entitled shall be named; the Electoral District for which, and the time within which, the first election for Members to serve in the House of Commons in Canada, shall take place.

14. The Constitution of the Executive authority, and of the Legislature of Newfoundland, shall, subject to the provisions of the said Act, continue as they exist at the Union, until altered under the authority thereof.

15. The provisions in the aforesaid British North America Act, 1867, shall—except those parts thereof which are in terms made, or by reasonable intendment, may be held to be specially applicable to, and only affect, one and not the whole of the Provinces now composing the Dominion, and except so far as the same may be varied by the Resolutions—be applicable to Newfoundland, in the same way, and to the like extent, as they apply to the other Provinces of the Dominion, and as if the Colony of Newfoundland had been one of the Provinces originally united by the said Act.

The foregoing Resolutions were agreed to as the basis of the Union to be submitted for the approval of the Parliament of the Dominion, and to the Legislature of Newfoundland, after a general election.

With reference to the subject of Export Duties and Defence, the following Minutes were also agreed to:—

a. With reference to the 7th resolution of the Legislature of Newfoundland, by which it is asked that: "No tax shall be imposed on the exports of this Colony unless a similar tax be levied on all the staple products of the other Provinces of this Dominion;" it is understood that the general imposition of Export duties on the staple products of any Province is contrary to the policy of the Government of Canada, and a contingency not to be contemplated; but it is agreed that taxation, in whatever form it may be found necessary hereafter to impose it, shall be so adjusted as to bear equally on all the Provinces, and that no scheme would be proposed which might in its effect operate with undue pressure on oil, fish, or any other staple Exports of Newfoundland.

b. Encouragement will be given for the establishment of a Naval Reserve Force, and for giving greater efficiency to the Volunteer Militia organization in Newfoundland, and that any modifications which may be needed, will be made in the Militia Law of Canada, to adapt its provisions to the circumstances of the inhabitants of Newfoundland.

c. The influence of the Dominion Government will be used, to the fullest extent, to procure the continued maintenance of a Garrison of Her Majesty's Forces at St. Johns.

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MESSAGE.

JOHN YOUNG,

The Governor General transmits for the information of the House of Commons, the copy of a minute of the Privy Council of Canada, dated the 4th June, instant, on the subject of arrangements, having in view the admission of the Colony of Prince Edward Island into the Dominion of Canada, which he recommends to the favorable consideration of the House.

GOVERNMENT HOUSE,
June, 1869.

Copy of a Report of a Committee of the Honorable the Privy Council, approved by His Excellency the Governor General in Council, on the 4th June, 1869.

The Committee of Council have the honor to bring under the notice of your Excellency the propriety of entering into negotiations with the Government of Prince Edward Island having in view the admission of that Colony into the Dominion of Canada, and append for your Excellency's approval the Draft of Resolutions, which they recommend should be submitted to the favourable consideration of Parliament.

"That it is expedient to authorize the Governor, by and with the advice of the Privy Council, to enter into such negotiations, and to make such arrangements as he may deem expedient, with the Government and Legislature of Prince Edward Island, with a view to the admission of that Colony into the Dominion, including in such arrangements provision for the acquisition of the disputed proprietary rights of the original grantees of the Crown of the lands in the said Island, for the purpose of effecting a commutation of tenure in favor of the tenants of such grantees on fair and liberal terms.

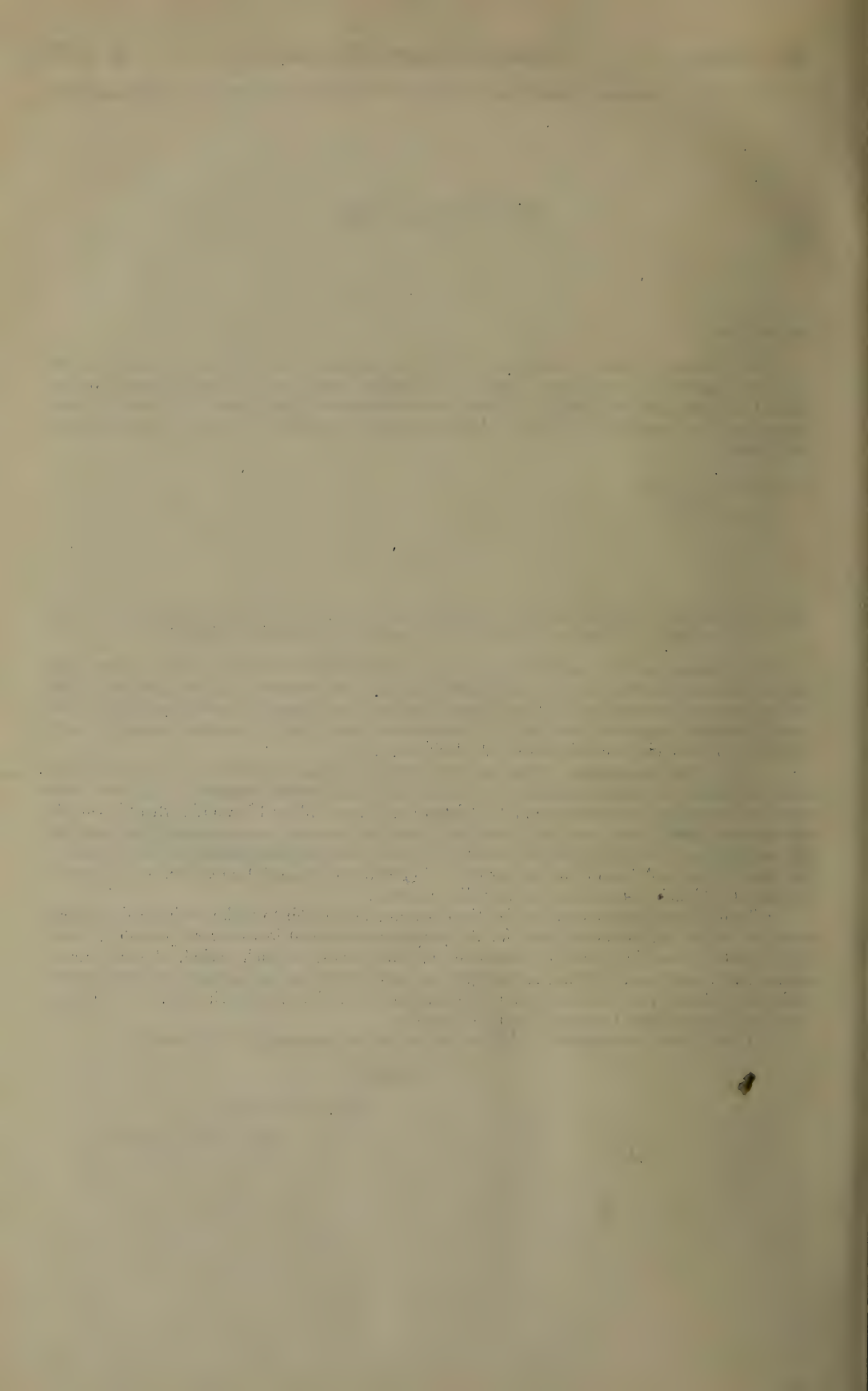
"That it is expedient to authorize the Governor in Council to make such fiscal arrangements as to him may seem requisite for the purposes mentioned in the next preceding Resolution, and to raise by Loan or otherwise, on such terms, for such period, at such rate of interest, with such sinking fund, and subject to such conditions as he may think advisable such sum as he may find necessary for the purpose, and that any such loan be a charge upon the Consolidated Revenue Fund of Canada.

"That all such arrangements shall be subject to the approval of Parliament."

Certified,

WM. H. LEE,

Clerk Privy Council.



(No. 53)

RETURN

To an Address of the HOUSE OF COMMONS, dated 31st May, 1869; For copies of all correspondence between the Department of Public Works and the Engineer of St. Peter's Canal.

By command.

HECTOR L. LANGEVIN,

Secretary of State.

DEPARTMENT OF THE SECRETARY OF STATE,

Ottawa, 7th June, 1869.

(No. 54)

RETURN

To an Address of the HOUSE OF COMMONS, dated 22nd April, 1869; For a statement shewing the amounts paid, or to be paid, by the Dominion Government for the arrest and prosecution of parties suspected of the murder of the Hon. T. D. McGee, and to whom such sums were paid.

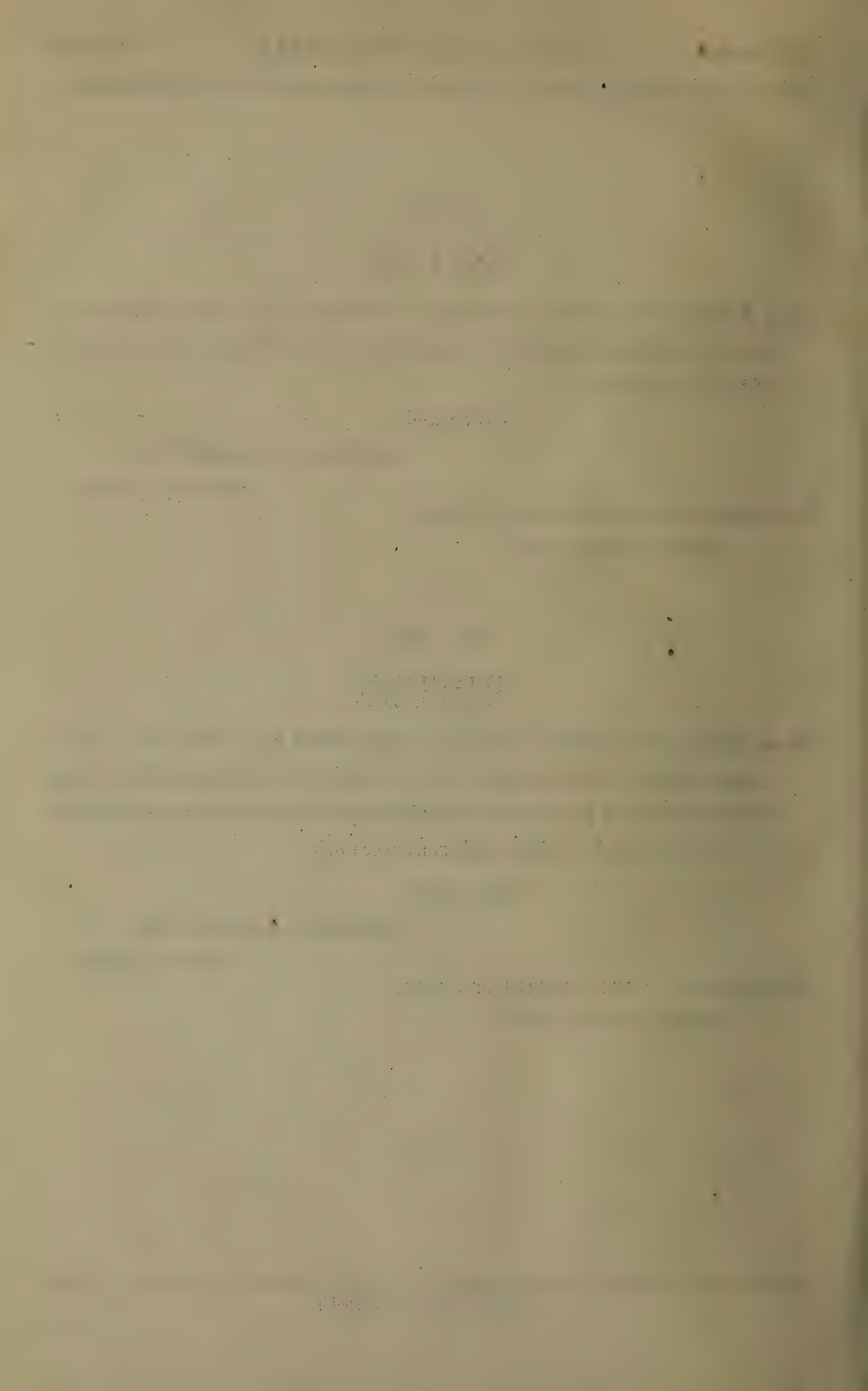
By command.

HECTOR L. LANGEVIN,

Secretary of State.

DEPARTMENT OF THE SECRETARY OF STATE,

Ottawa, 8th June, 1869.



RETURN

To an Address of the House of Commons, dated 31st May, 1869, for all Correspondence, Orders in Council and other papers touching the Claims of the Government against James Beaty, Esq., or the York Roads Company; or touching the claims of Mr Beaty or the Company against the Government, not previously sent down.

By Command.

HECTOR L. LANGEVIN,
Secretary of State.

DEPARTMENT OF THE SECRETARY OF STATE,
Ottawa, 9th June, 1869.

(No. 56)

RETURN

To an Address of the HOUSE OF COMMONS, dated 7th June, 1869 ; For the names of each and every head of a family of the Parish of St. Julienne, in the County of Montcalm, entered in the Census of 1861.

By Command.

HECTOR L. LANGEVIN,
Secretary of State.

DEPARTMENT OF THE SECRETARY OF STATE,
Ottawa, 10th June, 1869.

[*In accordance with the recommendation of the Joint Committee on Printing, the above Return is not printed*]

(No. 57)

RETURN

To an ORDER of the HOUSE OF COMMONS, dated 31st May, 1869 ; For a Statement shewing the quantity of land sold or leased on Manitoulin Island ; the quantity of land held under Timber Licenses ; with the names of all purchasers or lessees of land or Timber limits, with the date of sale or lease, and the price paid or terms made for such lands, leases or limits.

By command.

HECTOR L. LANGEVIN,
Secretary of State.

DEPARTMENT OF THE SECRETARY OF STATE,
Ottawa. 18th June, 1869.

[*In accordance with the recommendation of the Joint Committee on Printing, this Return was only printed for distribution.*]

RETURN

To an Address of the HOUSE OF COMMONS, dated 7th June, 1869; For copy of the Despatch of His Grace the Duke of Buckingham and Chandos, establishing the order of Precedence in this Dominion, together with any correspondence had by the Government of Canada with the Home Government, or with any individual or denomination of Christians in this Dominion upon the subject, with all Orders in Council or other documents relating to the same.

By Command.

HECTOR L. LANGEVIN,
Secretary of State.

DEPARTMENT OF THE SECRETARY OF STATE,
Ottawa, 11th June, 1869.

Fortifications and Defence, Arms, &c.

Laid before Parliament by Command of His Excellency the Governor General.

MESSAGE.

JOHN YOUNG.

The Governor General transmits for the consideration of the House of Commons, the Report of the Delegates to England of their correspondence with Her Majesty's Government on the subject of Fortifications, Defence, &c.

GOVERNMENT HOUSE,

Ottawa, 11th June, 1869.

Copy of a Report of a Committee of the Honorable the Privy Council, approved by His Excellency the Governor General in Council, on the 11th June, 1868.

The Committee have had under consideration the Report of the Hon. Sir George Et. Cartier, Bart., and the Hon. Wm. Macdougall, C. B., and accompanying documents, submitted in pursuance of the instructions contained in the Order in Council of 1st October last, whereby they were authorized to confer with H. M. Government during their stay in England, on the subject of Fortifications and the Defence of Canada generally.

The Report and documents alluded to have reference—

1st. To the representations made by them to H. M. Secretary of State for the Colonies, respecting the granting of the Imperial guarantee for the loan required for the contemplated Fortifications.

2nd. To the expediency, as urged by them on H. M. Government, of maintaining in the Dominion as large a Force of Regular Troops as possible.

3rd. The inadvisability of withdrawing from Canada, as proposed by the War Office, of the proportion of breech-loading Arms and Ammunition hitherto kept in reserve in the Dominion.

4th. The correspondence had by them with the Imperial authorities respecting a claim preferred against Canada for a sum of £847 18s. 3½d., being for damage caused to the Enfield rifles issued on loan to this Government and lately returned into store.

The Committee fully concur in the representations made and the proceedings taken by the Delegates in the several matters above referred to, and advise that their Report and accompanying documents be laid before Parliament by Message from Your Excellency.

Certified,

WM. H. LEE,

Clerk, Privy Council.

REPORT.

*To His Excellency the Right Honorable Sir JOHN YOUNG Bart. G. C. B.,
G. C. M. G., Governor General of Canada, &c., &c., &c.*

IN COUNCIL.

We, the undersigned, having been specially authorized by Order in Council of 1st October last, to confer with Her Majesty's Government, during our stay in England, on the subject of Fortifications and the Defence of Canada generally, had the honor to have several communications with the Right Hon. the Secretary of State for the Colonies, and through him, with the Right Hon. the Secretary of State for War on those important questions.

In the first place, on the subject of Fortifications, we reminded Earl Granville that the Canadian Government was as yet without an answer to their representations conveyed in Lord Monk's Despatch of 27th May, 1868, last, respecting the granting of the Imperial guarantee for the loan required for the construction of the Fortifications contemplated by the Act of last session.

Secondly, We deemed it our duty strongly to urge on Her Majesty's Government the necessity of keeping and maintaining in the Dominion as large a force of Her Majesty's Regular Troops as possible.

Earl Granville informed us in reply that the views entertained by Her Majesty's Government on these two points should be conveyed in a Despatch to your Excellency, and accordingly, since our return to Canada the subjoined Despatch under date 14th April, 1869 has been received intimating the intention of the Government to introduce a measure during the present session of the Imperial Legislature to authorize the guarantee of the sum required for the contemplated Fortification, and intimating, with respect to the Regular Force to be maintained in Canada, that although for the reasons therein assigned, full effect cannot be given to our views as above expressed, yet, that a limited number of Troops will for the present continue to be stationed at certain points in the Dominion.

During our stay in England we received from Earl Granville a communication, dated 22nd February, 1869, enclosing copies of two letters from the War Office, the first relating to the number of breech-loading arms, either appropriated for the local forces or held in reserve, and to the supply of ammunition in store in Canada, and proposing to withdraw a large portion of both unless the Canadian Government should express a desire to purchase any of such arms. And the second preferring a claim on the Government of the Dominion for a sum of £847 18s 3½d being for damage caused to the Enfield rifles issued on loan to this Government and lately returned into store.

On these subjects we had personal interviews with Earl Granville and subsequently embodied our views thereon in a letter to his Lordship dated 23rd March, 1869, in which we remonstrated against the proposed reduction of the number of arms and quantity of ammunition held in reserve in Canada on the ground that if, in addition to the reduction of the regular troops, it became known that a diminution of the number of Snider rifles in reserve had also taken place, encouragement might thereby be given to the Fenian organization, which still existed in the United States, to renew their attempts to invade our soil.

Moreover, that the new Canadian Militia Act had made provision for the regular training of a certain number of extra militiamen, and of the Reserve Force, which would require, at least, 65,000 rifles or nearly the entire number intended to be left in Canada for the ordinary colonial force, leaving no reserve to meet any case of sudden emergency.

With reference to the offer made for the purchase by the Canadian Government of a portion of these arms, we represented to Earl Granville that as the subject was not one specially connected with our mission, and as it would involve an appropriation of money by the Canadian Parliament, we requested that instructions for the withdrawal of such arms and ammunition would be deferred until after we should have had an opportunity of submitting the matter for the consideration of your Excellency in Council.

No decision on these two questions had been conveyed to us prior to our departure for Canada, but, since our return a Despatch (No. 75) under date of 24th April last has been received from Earl Granville communicating to your Excellency a correspondence between the colonial and war offices, from which it appears that as regards the first proposition, viz: the number of breech-loading rifles to be left in Canada, the Secretary of State for War has

consented to defer the withdrawal of any portion of them or of the ammunition held in reserve, until next autumn, and that, with respect to the amount claimed for damages to arms issued on loan, Mr. Cardwell, for the reasons given in the letter of 20th April last, from Sir Edward Lugard to Sir Frederic Rogers, does not feel warranted in relinquishing the claim.

All which is respectfully submitted.

GEO. ET. CARTIER,
WM. McDOUGALL.

Ottawa, 20th May, 1869.

DOWNING STREET,
22 February, 1869.

GENTLEMEN,—I am directed by Earl Granville to transmit to you the enclosed copies of two letters which have been received from the war office, the first relating to the number of breechloading arms, and the amount of ammunition necessary to be held in Canada as a reserve; the second preferring a claim on the Canadian Government for £847 18s. 3^d., on account of damage, &c., caused to the Enfield rifles issued on loan to the Canadian Government, and lately returned into store. Lord Grenville would be glad to be furnished with any observations which you may wish to offer on the points to which these letters relate.

I am, Gentlemen,
Your obedient servant,

(Signed,)

FREDERIC ROGERS.

Sir G. E. Cartier, Bart, }
and
W. McDougall, Esq., C. B. }

Sir H. Storks to the Under Secretary of State, C. O.

(Copy.)

WAR OFFICE,
11th February, 1869.

SIR,—I am directed to acquaint you, for the information of the Secretary of State for the Colonies, that consequent upon the reductions which it has been decided to make in the force now stationed in the Dominion of Canada, Mr. Secretary Cardwell has had under his consideration the very large supply of breech-loading arms, either appropriated for the local forces in the Dominion, or held in reserve at the several depots, to meet any requirements which might arise; as also the supply of ammunition of which there is a reserve of 20,000,000 rounds. The numbers of the arms of all kinds, irrespectively of those in possession of the regular troops are as follows:—

Appropriated for Colonial Forces.

Converted Snider Rifles.....	51,000
Spencer Rifles	2,000
Spencer Carbines.....	1,000
Starr Carbines.....	200

54,200

In store as reserve, (Snider).....31,000

85,200

Mr. Cardwell has come to the conclusion that so large a reserve as 31,000 first class arms is much greater than it is absolutely requisite to retain in the Dominion under existing circumstances, and as arms of this description are much needed to meet the requirements of the Imperial Service, and to aid in making up the deficiency which at present exists in the

number authorized to be maintained as a reserve in this country, he proposes to withdraw from Canada 25,000 Snider rifles, and 10,000,000 rounds of ammunition, but before giving instructions to this effect, Mr. Cardwell will be glad to learn whether Lord Granville thinks the Government of the Dominion would like to purchase any of the arms, as if so, he will defer the order so as to give the government the opportunity of so doing.

I have, &c.,

(Signed,)

H. K. STORKS,
The Under Secretary of State,
Colonial Office.

Sir E. Lugard to the Under Secretary of State C. O.

Copy.

WAR OFFICE,

12th February, 1869.

SIR,—I am directed by Mr. Secretary Cardwell to transmit for the consideration of Earl Granville the enclosed copy of a correspondence which has passed between this Department and the General Officer commanding the troops in Canada upon the subject of the damage sustained in the case of certain Enfield rifles issued from Imperial Stores upon loan to the Canadian Government and lately returned in consequence of their being replaced by Snider rifles.

Lord Granville will perceive that General Windham caused an inspection of a portion of these arms to be made in the presence of a Militia Officer and a claim amounting to £847. 18s. 3d. for damages and deficiencies to be preferred upon the Government of the Dominion.

As the regulations of 1862 under which supplies are made to Colonial Militia and Volunteers, especially provide that Colonial Governments shall be held responsible for the arms, which shall moreover be kept in good condition, Mr. Cardwell does not conceive that there can be any doubt as to the propriety of the call thus made upon the Canadian Government by the Lieutenant General.

I have, &c.,

(Signed,)

EDWARD LUGARD.

The Under Secretary of State,
Colonial Office.

Lt. General Windham to the Secretary of State, W. O.

Copy.

HEAD QUARTERS,

Montreal, 7th February, 1868.

SIR,—I have the honor to enclose a Copy of a proposal of the Deputy Superintendent of Stores that the damages to the Enfield rifles lent to the Militia and now being returned in consequence of the issue of Sniders may be assessed in England.

His Excellency the Governor General has consented to this arrangement and to the charges for damages and deficiencies being settled between the two Governments through the Colonial Office.

I now beg to enclose a return shewing how many of these Enfields have been handed in up to this date and to inform you that I again have urged on His Excellency the Governor General the expediency of their return being completed at as early date as possible.

I have, &c.,

(Signed,)

C. A. WINDHAM,
Lt. General,
Comd. the Forces in B. N. America.

The Rt. Honble.

The Secretary of State for War.

The Dy. Superintendent of Stores to Military Secretary, Montreal.

Copy.

MILITARY STORE OFFICE,

Montreal, 30th August, 1867.

SIR,—With reference to the Enfield Rifles which have been in use by the Militia, and which the Lieutenant General has ordered to be sent home on freight in consequence of the impossibility of procuring conveyance for them on board of any Government Vessel.

I beg respectfully to suggest that these arms before shipment should be examined in the Military Stores at Quebec to ascertain that they are properly packed in the chests and will suffer no damage in that respect from the voyage; but I would submit that their inspection by a Board or Boards of Officers with a view to the assessment of damages may be dispensed with, and that the question of the condition in which the arms are returned should be left for the consideration of the authorities in England.

I have, &c.,
(Signed,)

EDWD. WILGRESS,
For Deputy Supt

The Military Secretary,
Montreal.

STATEMENT shewing the number of arms, &c., issued from the Imperial Stores in Canada on Loan to the Canadian Government, the number returned, and those remaining in possession at the present time.

	Enfield Rifles Pattern 1853.	Short Rifles Pattern 1856.	Carbine Pattern 1856.	Carbine Pattern 1853.	Spencer's Re- peating Mus- ket.	Spencer's Re- peating Car- bine.	Westby Ri- chard's Mus- ket.	Swords, Cavalry with Scabbards Pat. 1853.	Sword Bayonet Brunswick Rifle.	Sword Bayonet Pattern 1856.
Total numbers issued.....	29,310	2,651	500	537	2,000	900	1,665	500	25	18
Returned into Store, Quebec and Mon- treal.....	23,657	1,431	.....	294	.....	.....	1,665	.....	.....	.....
Remaining in possession of Canadian Government.....	5,653	1,200	500	243	2,000	900	.....	500	25	18
Shipped to England per "Annie Foster"	1,600	.....	.....	.....	.....	.....	.....	.....	.....	.....
Remaining at Quebec for shipment.....	7,657	1,431	.....	294	.....	.....	.....	.....	.....	.....
	23,657	1,431	.....	294	.....	.....	.....	.....	.....	.....

(Signed,) F. A. GALLELLY,
Deputy Superintendent.

The
Military Secretary,
Montreal.

Lord Longford to the Lieut. Genl. Commanding Her Majesty's Forces, British North America.

Copy.

57
30
5467

WAR OFFICE,
21st March, 1868.

SIR:—In acknowledging the receipt of your letter dated the 7th ultimo covering a communication from the Deputy Superintendent of Stores at Montreal, proposing that the damages to the Enfield rifles lent to the Militia and now being returned to store in the place of Snider arms may be assessed in England.

I am directed by Secretary Sir John Pakington, to acquaint you that as it has been found impossible to levy any charges upon the arms which have already been sent home from Montreal per the "Annie Foster," owing to the condition in which they were received from the effects of the voyage, he is of opinion that with a view to avoid the casualties of transport by sea, Boards of Survey should be assembled on the spot to view the arms and assess the damages thereto or deficiencies previously to their being despatched to this country.

And I am therefore to request that you will be pleased to take the necessary steps for causing any assessment of damages to be made prior to the shipment of the arms to England.

I have, &c.,

(Signed,)

LONGFORD.

The Lieut. General Commanding
Her Majesty's Forces in
British North America,
Montreal.

Lieut. Genl. Windham to the Secretary of State for War.

(Copy.)

HEAD QUARTERS—CANADA,

Montreal, 22nd January, 1869.

SIR,—In compliance with the instructions in your letter $\frac{57}{30}$ of 21st March, 1868, $\frac{4675}{}$ the arms delivered into store at Quebec by the Volunteer Militia, were inspected there, a Militia Officer having been present on the part of the Canadian Government.

Bills for damages and deficiencies to these arms amounting to £847 18s. 3 $\frac{1}{2}$ d. sterling, were presented to the Militia Department on the 8th October 1868, and in reply to a renewed application for payment, I have been informed that the bills are in the hands of the Minister of Militia who is now in England.

As Sir G. E. Cartier may bring the subject of these claims before the Secretary of State for the Colonies, I think it only right that I should state to you that, in my opinion, there is no ground whatever for withdrawing the claim made on this account against the Canadian Government.

The arms were issued most freely in very large quantities under the Regulations dated War Office, 27th March, 1862, which stipulate for their return in good order, fair wear and tear excepted.

Sufficient care has not been taken of these arms, and besides providing funds for putting them into repair, the exaction of the payment of the bills which have been presented, will be useful in impressing upon the Militia Department the importance of increased attention to the preservation of the valuable arms (Breech loaders) now for a second time in a few years put into the hands of the Canadian Forces by the liberality of England.

I have, &c.,

(Signed,)

C. A. WINDHAM,

Lieut. General Commanding the Forces

in British North America.

The Right Honorable
The Secretary of State for War,
&c., &c., &c.

WESTMINSTER PALACE HOTEL,

23rd March, 1869.

SIR,—We have the honor to acknowledge receipt of your letter of the 22nd February last accompanied with copies of the two letters from the war office, directed by Earl Granville to be transmitted to us. The first relating to the number of breech-loading arms and the amount of ammunition necessary to be held in Canada as a reserve; the second preferring a claim on the Canadian Government for £847 13s. 3½d., on account of damages, &c., caused to the Enfield rifles issued on loan to the Canadian Government, and lately returned into store.

You kindly state to us in your letter that Earl Granville would be glad to be furnished with any observations which we might like to offer on the points to which the two letters from the war office relate, and we have much pleasure in availing ourselves of the opportunity given us to comply with his Lordship's wishes.

1stly. On the letter relating to the number of breech-loading arms and the amount of ammunition necessary to be held as a reserve in Canada, we remark that the right honorable the Secretary of War proposes to withdraw from Canada 25,000 Snider rifles and 10,000,000 rounds of ammunition, but before giving instructions to that effect Mr. Cardwell would be glad to learn whether the Government of the Dominion would like to purchase any of the arms, as if so, he will defer the order so as to give the Government the opportunity of so doing.

With regard to the question of the purchase by the Canadian Government of any of the arms referred to before, we beg leave to submit for the information of Earl Granville that as this question is not one of those specially connected with our mission to the Imperial Government, and as it would involve an appropriation of money by the "Canadian Parliament," we beg that Earl Granville will have the kindness to request the Secretary of War to postpone the giving of his instructions for the withdrawal of any of these arms until after we shall have had an opportunity of submitting the matter to and for the consideration of the Governor in Council upon our return to Canada.

In connection with the question of the propriety of diminishing the supply of the reserve Snider rifles and ammunition now in Canada, we beg leave also to submit to Earl Granville for the consideration of the right honorable the Secretary of War, that the Fenian organization in the United States of America is far from being extinguished, that the "Fenians" have generally selected the spring months for their active and invading operations against Canada, that if it became known that in addition to the reduction of the regular troops a reduction of the reserve Snider rifles and ammunition in Canada had also been made, the Fenians might be encouraged during the forthcoming spring months to renew their attack of invasion of some portion of the territory of the Dominion of Canada. We beg also to submit that in the event of any sudden emergency necessitating the calling out of the Canadian Militia for actual service in any numbers beyond the service provided by law in time of peace, the reduction of the Regular Force in Canada, now determined upon by the Imperial Government must render it more instead of less urgent that a large reserve of arms should be at hand and available for the immediate arming of the Canadian levies.

We beg further to state that the new militia law prescribes that 40,000 extra militiamen shall receive in time of peace a certain amount of yearly training and prescribes also that in addition to these, the officers and non-commissioned officers of the reserve militia shall receive a certain amount of yearly training—then there will be required in Canada in time of peace for the yearly training of both the militiamen and officers above required at the least 65,000 converted Snider rifles which must nearly absorb the number of these arms intended to be left in Canada for the use of the ordinary Colonial forces, and then there will be no reserve of these arms in the case of a sudden emergency of an extraordinary levy of the Canadian militia beyond its required organization in time of peace.

We hope that the Secretary of War for the above reasons will be induced not to carry out his intention of diminishing the reserve of converted Snider rifles and ammunition in Canada.

We annex hereto and beg leave to submit for the consideration of Earl Granville, a report of Colonel Macdougall the Adjutant General of Militia of Canada, on the question of the reduction of the reserve of arms in Canada. 2ndly, with regard to the letter preferring a claim on the Canadian Government for £847 13s. 3½d., on account of damages caused to the Enfield rifles issued on loan to the Canadian Government and lately returned into store. We also beg leave to submit for the information of Earl Granville, that the damages done to

these arms occurred generally for wear and tear whilst in the use of the Canadian volunteers during active service, particularly during the Fenian troubles of 1865, 1866 and 1867, and we beg therefore that Earl Granville may be induced to urge on the Secretary of War the remission in favor of Canada of all claims for damages to the Enfield rifles returned in store.

We have the honor to remain,

Sir,

Your obedient servants,

(Signed,)

G. E. CARTIER.

W. McDOUGALL.

Sir Frederic Rogers,
Principal Under Secretary of
State for the Colonies, &c.,
Colonial Office, Downing-st.

Memorandum.

LONDON, March 9, 1869.

The Adjutant General of Militia has the honor to report in accordance with the desire of the Hon. the Minister of Militia, with reference to War Office letter of 11th Feby., 1869, (Sir H. Storks to the U. S. of State C. O.,) in which it is proposed to diminish the supply of reserve (Snider) Rifles and ammunition now in Canada; that the question of withdrawing reserve arms from Canada to England is one of Imperial policy, the general bearings of which can of course be best estimated by the Imperial Government; although, in the event of any sudden emergency requiring the Canadian Militia to be called out for service in any numbers, the reduction of the regular force in Canada would obviously render it more, instead of less urgent, that a large reserve of arms should be at hand and available for the immediate arming of the Canadian levies.

The new Militia Law prescribes that 40,000 active Militiamen shall receive a certain amount of yearly training; and that, in addition to these, the officers and non-commissioned officers of all the battalions of regular (Reserve) Militia throughout Canada shall receive a certain amount of yearly training, and it will be necessary, in order to give effect to that Law, that the Canadian Government should in some manner provide at least 15,000 rifles for the use of the officers and non-commissioned officers above specified, over and above the arms already distributed to the 40 000 active Militiamen.

(Signed,)

P. L. MACDOUGALL,

Colonel, Adj. Gen. of Militia.

The Hon. the Minister of
Militia and Defence of Canada.

The Secretary of State for the Colonies to the Governor General.

(Copy.)

Canada,
No. 75.

DOWNING STREET,
24th April, 1869.

SIR,—You are no doubt in possession of the correspondence noted in the margin which C. O. to Delegates, took place between this office and Sir G. E. Cartier and Mr. McDougall in 22nd Feb., 1869, February and March last, on the subject of two War Office letters, dated enclosing W. O. respectively the 11th and 12th of February; the first relating to the Letters of 11th and 12th February. number of breech-loading arms, and the amount of ammunition necessary to Sir E. Cartier and be held in Canada as a reserve; the second preferring a claim on the Canadian Mr. McDougall, in Government on account of damage caused to the Enfield rifles issued in reply 23rd March, on loan to the Canadian Government and lately returned into store. 1869.

I now enclose you your information copies of the later correspondence C. O. to W. O., on the subject, which passed between this Office and the War Office, subse- 10th April, 1868. quent to the return to Canada of Sir G. E. Cartier and Mr. McDougall. W. O. to C. O., 20th April, 1869.

From the War Office letter of the 20th instant, you will learn the decision adopted by the Secretary of State for War in regard to these questions.

I have, &c.,
(Signed,)

GRANVILLE.

Governor General,
The Right Honorable
Sir John Young, Baronet,
&c., &c., &c.

Sir F. Rogers to Under Secretary of State, War Office.

(Copy.)

DOWNING STREET,
10th April, 1869.

SIR,—I am directed by Earl Granville to acquaint you, for the information of Mr. Secretary Caldwell, that he referred to Sir G. E. Cartier and to Mr. McDougall, the Canadian delegates in this country, the questions raised in the letters from the War Office of the 11th and 12th of February last, the first relating to the number of breech-loading arms and the amount of ammunition necessary to be held in Canada as a reserve; the second preferring a claim on the Canadian Government for £847 13s. 3 $\frac{3}{4}$ d. on account of damage caused to the Enfield rifles issued on loan to the Canadian Government and lately returned into store.

I am desired to enclose for Mr. Cardwell's consideration a copy of the 23rd March, 1869, reply which has been received from these gentlemen.

Lord Granville concurs in the opinion that it would be unadvisable at present that the contemplated reduction of rifles and ammunition should be made, and he would recommend at these stores should be retained in the Dominion until the autumn.

It will be observed that the Delegates are unable to give any opinion as to the course which the Canadian Government may wish to pursue with regard to the purchase of any of the arms now in store, but that this question will be submitted to the Canadian Government on their return to Ottawa.

With regard to the question of payment for damages caused to the Enfield rifles issued on loan, I am desired to request to be informed of the decision which Mr. Secretary Caldwell may adopt on the present application of the Canadian Delegates.

I am, &c.,
(Signed,) F. ROGERS.

The Under Secretary of State,
Colonial Office.

Sir Edward Lugard to Sir F. Rogers.

(Copy.)

WAR OFFICE,
20th April, 1869.

SIR,—I am directed by Mr. Secretary Cardwell to acknowledge the receipt of your letter of the 10th instant with its enclosure from Sir Geo. E. Cartier and Mr. McDougall, the Canadian delegates in this country, on the questions raised in the letters from this Department of the 11th and 12th February last, respecting the number of breech-loading arms, and the amount of ammunition necessary to be held in Canada as a reserve, and the claim on the Canadian Government for £847 13s. 3 $\frac{3}{4}$ d., on account of damage caused to the Enfield rifles, issued on loan to the Canadian Government, and lately returned into store.

On the first point I have only to refer you to my letter of the 11th February last, from which it will be seen that the recommendation of Earl Granville that no reduction of the arms and ammunition should be made at present, or until the Canadian Government have had the opportunity of determining whether they will purchase them, has been complied with by anticipation.

On the second point, I am to refer you to the report of Lieutenant General Sir C. Windham, dated the 22nd January, 1869, (among the enclosures to my letter of the 12th February), by which His Lordship will perceive that the damage which the Rifles in question had sustained is not to be attributed to mere "wear and tear" as contended by Sir G. E. Cartier and Wm. McDougall, but to want of proper care of them.

Lord Granville will also find it stated in the same report that these arms were duly inspected upon being returned into store in presence of the Militia Officer on the part of the Canadian Government, and that the sum claimed represents the actual amount of damages and deficiencies ascertained to be due.

Under these circumstances Mr. Cardwell feels that he has no alternative but to adhere to the claim.

I am, &c.,

(Signed,)

EDWARD LUGARD.

Sir Frederic Rogers, Baronet,
&c., &c., &c.

28th April, 1869.

(Copy.)

Communicate to Privy Council.

The actual numbers stated in this despatch, as to be withdrawn, and to remain respectively, are the same as those stated in the former despatches.

(Signed,)

J. Y.

Canada
No. 65.

DOWNING STREET,
14th April, 1869.

SIR,—Her Majesty's Government have had recently under their consideration the distribution of Her Majesty's Troops among the British Colonies, and the rate of contribution to be paid to the Imperial Exchequer by the Colonies in which they are placed.

2. As nearly one third of these Troops were, till lately, stationed in Canada, it need hardly be said that it became in the first instance necessary to consider what force should at present be retained in the Dominion, and on what terms.

3. In determining these questions, their attention has been particularly directed to the despatch No. 95, of the 17th June, 1865, in which Mr. Caldwell conveyed to Lord Monck the decision of Lord Palmerston's Government, on various questions of importance respecting the defence of the then Province of Canada; and also to the minutes of Committee of Council transmitted respectively in Lord Monck's despatch No. 96, of January 2nd, 1868, and in your despatch No. 9, of January 21st, 1869. The former of these minutes relates to the Naval Force then in Canadian waters, the latter to the withdrawal of troops. In both it is urged that an exceptional amount of Military and Naval assistance is due to Canada as being exposed to danger, not from any colonial cause, but from the desire of the persons called Fenians to obtain some basis of operations against Great Britain.

4. Her Majesty's Government trust that the annoyance arising from the organization of Fenianism in the United States is fast disappearing.

This organization founded on the hostile feelings entertained by numerous Irishmen in the United States, against Great Britain, derived its substantial importance from the circumstance that large armies had been recently disbanded, and were not yet thoroughly absorbed in the pursuits of peace. Such a state of things must always contain elements of danger to a neighbouring country; and so far as the Canadians suffer from it, they suffer not so much from their connexion with Great Britain as from an unhappy, I hope a passing accident of their geographical position.

5. With this observation which I am by no means inclined to press too far, I proceed to the various matters on which I have to convey to you the conclusions of Her Majesty's Government.

6. In the despatch to which I have already alluded, Lord Monck was informed that if the Province of Canada undertook the primary liability for certain works of defence there indicated, Her Majesty's Government would apply to Parliament for a guarantee of the sum required for that purpose; but that the desire and decision of the Provincial Legislature ought to be pronounced before any such application should be made.

7. At the wish of the Canadian Ministers the matter was reserved for the Parliament of the Dominion, which has now passed an Act authorizing the Governor to raise a sum of £1,100,000 for the proposed purposes, and under the Imperial guarantee.

8. Without anticipating any arrangements of detail which may prove necessary, I will only here say that the present Government are prepared to redeem the pledge of their predecessors, and will introduce into Parliament a Bill authorizing the contemplated guarantee.

9. But they are also of opinion that the military and naval assistance hitherto given to Canada under circumstances which they hope are now passing away must at once be very largely reduced. The conclusions at which Her Majesty's Government have arrived, you will find in the annexed extract from a letter which I have received from the Secretary of State for War.

10. In the course of the summer, therefore, it is intended to withdraw from Ontario and Quebec, one Regiment of Cavalry, three Batteries of Field, and three Batteries of Garrison Artillery, and three Battalions of Infantry, and from Nova Scotia and New Brunswick two Battalions of Infantry and one Field Battery.

11. Halifax will be considered as an Imperial station, and for its defence about 2,000 men will for the present be left in Nova Scotia.

12. About 4,000 men will for the present be left in Ontario, Quebec, and New Brunswick. But this must be considered a temporary arrangement; and I am disposed to concur with Mr. Caldwell in the opinion that it will soon become unnecessary to maintain any British force in those Provinces, beyond what may be required for the training of the Militia and Volunteers, and the maintenance of Schools of Instruction.

The terms on which any of Her Majesty's Regiments can be retained in the Colony for this or any other purpose will be a matter of future consideration. Meantime the Secretary of State for War, informs me that Colonial Governments will receive all possible assistance in obtaining at their own charge the services of such commissioned and non-commissioned officers as they may desire to employ for the organization or instruction of any local force, for the construction, inspection or maintenance of fortifications or for any other matter connected with military defence. The War Department will also be ready when practicable to furnish them at cost price with such arms, ammunition and military stores as they may need; and though the matter may be of less interest to Canada than to some other Colonies, I enclose a copy of regulations under which well conducted privates will be allowed to take service as policemen, or otherwise if required, in the Colonies in which they have been stationed.

13. I have further to point out to you that in the opinion of the Secretary of State for War, any body of men who are to be a charge upon the Imperial Exchequer ought to be a body raised for the general service of Her Majesty, and not limited either by the conditions of enlistment or by practical necessity to a particular Colony. The Canadian Rifles do not, as you are aware, satisfy this condition, and Mr. Cardwell is accordingly about to reduce four companies of that corps, and to take measures to relieve the Imperial treasury from the cost of supporting it. It becomes matter for the consideration of the Local Government, whether that corps, or any part of it, useful as I believe it to be local purposes, shall be maintained at the expense of the colony.

14. Lastly, I have to refer to the naval force to be maintained during the ensuing summer on the Canadian lakes, and on the St. Lawrence.

15. In the despatch of the 17th of June, which I have already cited, and to which Lord Monck's Executive Council refer, Mr. Cardwell observed that "apart from any question of expediency the convention subsisting between this country and the United States rendered it impossible for either nation to place more than the specified number of armed vessels on the lakes in time of peace."

16. The number of armed British vessels on the lakes, with the concurrence of the Government of the United States, has as you are aware, been in excess of the number allowed by the arrangement of 1817. Her Majesty's Government are of opinion that the time has arrived, or may very shortly arrive, when there would be no sufficient reason for expecting the

acquiescence of the United States in this state of things. They consider therefore, that the vessels of war on the lakes which now on both sides, exceed the number allowed by the convention, should within a reasonable time be reduced to those numbers.

17. Her Majesty's Government are willing that the three Imperial gunboats should, if the Canadian Government desire it, be replaced this summer on the lakes, or on the St. Lawrence, and it will be for them to consider what further armed naval force, not prohibited by the terms of the arrangement, should be kept up in Canadian waters; But Her Majesty's Government are of opinion that this must now be done entirely at the expense of the Dominion.

18. With regard to the observation contained in the report of the Committee of the Privy Council, that Canada has no power to commission vessels of war, I would call your attention to the Colonial Naval Defence Act of 1865, which was intended to provide against that difficulty. The Council do not state in what respect it is found to be imperfect.

19. I have to request that you will lay this despatch before your Ministers. They must be fully aware of the principles which Parliament will require to be applied to Imperial expenditure for the defence of the Colonial Empire. In the gradual, if not tardy, application of these principles to British North America, they will I hope, recognize the earnest desire of Her Majesty's Government to do justice, both to the exceptional circumstances which have hitherto existed in that part of the British Empire, and to the admirable spirit which has been shown by the Government and Country of Canada in providing for their own protection.

I have, &c.,

(Signed),

GRANVILLE.

Governor General

The Right Honorable

Sir John Young, Bart., G. C. B.

(Copy.)

Extract of letter from Mr. Secretary Cardwell to Earl Granville.

WAR OFFICE,

25th January, 1869.

"On looking at the documents of which I enclose a copy, entitled Distribution of Regimental Establishments, 1868-9, I find that of the whole number of men voted for the current year, 50,025 are entered under the heading "Total for the Colonies," which includes the force in Japan. Of this number, viz.: 50,025, no less than 16,185 are entered for British North America, under the several heads of Canada, Nova Scotia and Newfoundland."

"Of this last number 3,592 have already been recalled, and I have had submitted to me a letter from the Colonial office, dated the 8th ult., stating that in the opinion of the Duke of Buckingham and Chandos, a further reduction of the troops serving in the Dominion of Canada might take place so as to leave 5,000 men in Quebec and Ontario, 2,000 men in Nova Scotia, and 1,650 in New Brunswick. I also learn that in pursuance of a pledge given by the Government of Lord Palmerston in 1865, to the effect that Her Majesty's Government would ask Parliament to guarantee a loan of which the Colonial Government would undertake the primary responsibility and which was to be raised for the purpose of defraying the cost of certain works of fortifications required for the defence of the Dominion, an Act was passed in the month of May last, by the Legislature of Canada, for raising a loan of £1,100,000 accordingly. This Act is still under the consideration of Her Majesty's Government. But the pledge of the Imperial guarantee having been given upon the supposition that greater exertions than heretofore would be made by the Local Government to provide for the military defence of the Dominion, thus relieving the Imperial Exchequer from financial liability in this respect, to a greater extent than has as yet been accomplished, I cannot but think that when this guarantee is called for by the Dominion, especially considering the existing friendly relation between ourselves and the Government and people of the United States; Her Majesty's Government ought to effect a larger reduction of the force than is contemplated in the Duke of Buckingham's letter."

"In the year 1851, Earl Grey, then Secretary of States for War and the Colonies, addressing the Governor General of the British North American Provinces, wrote as follows: "Canada (in common with the other British Provinces in North America) now possesses in the most ample and complete manner in which it is possible that she should enjoy it, the advantage of self-government in all that relates to her internal affairs."

"It appears to Her Majesty's Government that this advantage ought to carry with it corresponding responsibilities; and that the time is now come when the people of Canada must be called upon to take upon themselves a larger share than they have hitherto done of expenses which are incurred on this account, and for their advantage."

"Of these expenses by far the heaviest charge which falls upon this country, is that incurred for the military protection of the Province."

"Regarding Canada as a most important and valuable part of the Empire, and believing the maintenance of the connection between the Mother Country and the Colony, to be of the highest advantage to both, it is far from being the view of Her Majesty's Government that the general military power of the Empire is not to be used in the protection of this part of Her Majesty's Dominions."

"But looking to the rapid progress which Canada is now making in wealth and population, and to the prosperity which she at this moment enjoys, it is the conviction of Her Majesty's Government, that it is only due to the people of this country, that they should now be relieved from a large proportion of the charge which has hitherto been imposed upon them for the protection of a Colony now well able to do much towards protecting itself."

"In adopting this principle I need hardly observe to you that Her Majesty's Government would merely be reverting to the former Colonial policy of this country."

"Again in 1853, the Duke of Newcastle, then Secretary of State for War and the Colonies, acquainted the Governor General that Her Majesty's Government thought it necessary to reduce the force then in Canada, that is to say, in the present Provinces of Ontario and Quebec from 4,110 to 3,170 bayonets; and pointed out to him that in doing so they were only reducing the Garrisons of Canada to the establishments of 1792 and 1822."

"Very exceptional circumstances have no doubt, prevented the application of these principles to the British North American Provinces during the last few years; but these circumstances have in my opinion ceased, and I am not aware of any sufficient reason which should prevent our returning to the policy laid down in the despatches to which I have above referred."

"The Government of the new Dominion has displayed an anxiety to improve the organization of its own defences which is deserving of encouragement on our part; and, in doing so, has availed itself of the assistance of some of Her Majesty's regiments in training the officers and men of its own volunteers and militia. The reductions which I now propose to your Lordships will not interfere with these arrangements."

I shall be glad therefore to be favoured with your Lordships opinion, whether it is necessary that any portion of Her Majesty's troops should be left in the Dominion of Canada beyond such as it may be deemed expedient to retain with a view to the training of the militia and the volunteers, and the maintenance of the schools of instruction."

"This number would be sufficient in any case of emergency to furnish the garrison of Quebec."

* * * * *

"Upon the whole therefore with a view to the preparation of the estimates for the ensuing year I should propose that the following troops should be immediately recalled from the Colonies, and that the addition to their number to those which at present constitute the whole Force in this Country should be borne in mind in considering what number it is necessary to include in the votes to be submitted to Parliament, viz :

From Canada.

One Regiment of Cavalry, Three Battalions of Infantry.

From Nova Scotia and New Brunswick.

Two Battalions of Infantry.

* * * * *

"I further propose the withdrawal from Canada of three Batteries of Field and three of Garrison Artillery; and from Nova Scotia of one Field Battery; which will cause a total reduction of 1,124 artillerymen."

COLONIES.														
Sierra Leone.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	557
Gambia.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	206
Gold Coast.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	412
Lagos.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	103
Australia.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	1,346
Tasmania.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	388
New Zealand.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	795
Bermuda.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	2,102
Canada.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	12,214
Cape of Good Hope.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	3,711
Natal.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
St. Helena.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	516
Ceylon.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	2,084
Straits Settlements.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	1,609
China.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	2,685
Gibraltar.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	4,980
Malta.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	6,510
Mauritius.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	1,916
Newfoundland.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	296
Nova Scotia.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	3,675
Bahamas.....	465
Honduras.....	339
Jamaica.....	1,805
W. & L. Islands.....	1,310
Total for Colonies.....	50,025

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San Juan Island.—Claims of Canada for losses
and damages sustained by Her Majesty's subjects, in repelling
Fenian Invasion.—Protection of the Fisheries.

Laid before Parliament by Command of His Excellency the Governor General

MESSAGE.

JOHN YOUNG.

The Governor General transmits for the information of the House of Commons, a Report made by the Canadian Delegates to London, of a correspondence had by them with Her Majesty's Secretary of State for the Colonies on the following subjects:

- 1st. On the subject of the Island of San Juan.
- 2nd. Respecting the losses sustained by the Canadian Government and people in repelling the attacks of the so-called Fenians.
- 3rd. The Protection of the Fisheries.

GOVERNMENT HOUSE,
Ottawa, 11th June, 1869.

Copy of a Report of a Committee of the Honorable the Privy Council, appointed by His Excellency the Governor General in Council on the 11th June, 1869.

The Committee have had under consideration the accompanying Reports from the Hon. Sir George Et. Cartier, Bart., and the Hon. Wm. MacDougall, C. B., of communications they deemed it their duty to address, whilst in England, to H. M. Secretary of State for the Colonies, on the following subjects:

- 1st. Respecting the deep interest which the Canadian people have presently and prospectively in the settlement of the question involving the Title to the Island of San Juan, in the Gulf of Georgia.
- 2nd. On the subject of the claims which the Government and people of Canada have on the United States for the large outlay and the loss of life and property occasioned by the invasion of their soil by the so-called "Fenians;" and
- 3rd. The necessity of adopting more efficient measures for the protection of H. M. subjects engaged in the Fisheries.

The Committee desire to express their entire concurrence in the views and statements set forth by the Delegates in the several letters addressed by them to Earl Granville on the above important subjects, and recommend that the said Reports and Correspondence be laid before Parliament by Message from Your Excellency.

Certified,

WM. H. LEE,

Clerk, Privy Council.

SAN JUAN ISLAND.

REPORT.

*To His Excellency the Right Honorable Sir John Young, Baronet, G. C. B.,
G. C. M. G., Governor General of Canada, &c., &c., &c.*

IN COUNCIL.

We the undersigned beg respectfully to submit for your Excellency's information, copy of a letter which during our recent mission to London, we deemed it our duty to address to the Right Honorable the Secretary of State for the Colonies, on the subject of the Island of San Juan and of Lord Granville's reply thereto.

Having been informed that a determination had been arrived at between Her Majesty's Government and the Government of the United States to adopt steps to bring this long pending question to a speedy and final settlement, we conceived it to be our duty on behalf of the Government of Canada, to urge upon the consideration of Earl Granville, how deeply the Government of Canada was interested presently and prospectively in the settlement of the boundary question involving the title to the Island of San Juan,

Our letter of the 30th December, herewith submitted will sufficiently explain the reasons of our addressing the Secretary of State on this subject, and Lord Granville's reply together with a subsequent communication from his Lordship of the 16th March last, also hereunto appended will exhibit the present position of that question.

All which is respectfully submitted.

GEO. ET. CARTIER,

WM. McDUGALL.

Ottawa, 18th day of May, 1869.

WESTMINSTER PALACE HOTEL,

LONDON, 29th December, 1868.

MY LORD,

In connection with the conversation we had the honor to have with your Lordship a few days since on the subject of the Island of *San Juan*, we now beg in accordance with the suggestion of Your Lordship to submit our observations on that subject in the form of a written communication and in our character of representatives of the Canadian Government.

Your Lordship is aware that the 146th Section of the "British North America Act 1867," makes provision for the admission into the Dominion of Canada, of Newfoundland, Prince Edward Island, and British Columbia, and also of Ruperts Land and the North Western Territory. We are happy to inform your Lordship that a large majority of the people of British Columbia appear to be anxious for an immediate union with Canada. With the assent of the Imperial Government that union may soon be accomplished and therefore the Dominion of Canada, has presently and prospectively a deep interest in the settlement of the boundary question involving the title to the Island of San Juan in the Gulf of Georgia.

We notice that the President of the United States, in his last Message, announces that the title to that Island is one of the three questions now pending for settlement between Her Majesty's Government and the Government of the United States.

We avail ourselves of the present opportunity to represent to your Lordship, that, in our humble opinion, it is of vital importance to British Columbia, and, prospectively, to all British North America, that an Island which commands the passage by sea to the principal cities, ports and harbours of Her Majesty's possessions on the Pacific Coast, should not be surrendered to a Foreign power.

We think it is clear that the Treaty of 1846, which establishes the boundary "through the *channel* which separates the Continent from Vancouver Island," intended, by these words, the channel *nearest* the Continent, the only one then generally known and used by Navigators. It is the *first* Channel, and, therefore, pre-eminently the one which "separates" the continent from Vancouver Island.

The American Government, by contending for the *third* channel, or that which is farthest from the Continent (the very existence of which appears to have been unknown to the British Commissioners), show to the world, that their object is, not to secure possession of a few rocky islets in the Gulf, of no commercial or agricultural value, but of the important military position of *San Juan*, where they may build a fortress that would lock up the Straits of Fuca and overawe British Columbia, as effectually as Fort Montgomery, built on Canadian territory which was surrendered to the United States by the Treaty of 1842, now locks up Lake Champlain and threatens, by its proximity and its magnitude, the Chief City of the new Dominion.

Our experience of past diplomacy in the settlement of boundaries in North America, in which the disposition on the one side to concede, and on the other to encroach, was always present and always resulted disastrously to Canada, admonishes us, that a similar disposition and similar results may be feared in the future. A territorial compromise in British Columbia, may be deemed, by some, of little moment in the settlement of the other questions now pending between the two Governments, but we respectfully submit, that every resource of diplomacy, and every argument derived from the practice and policy of coterminous nations, from the geographical position and maritime requirements of the respective countries in the Gulf, as well as from the language of the Treaty, should be exhausted before a strategic position is given up, which future generations of loyal subjects may have occasion to regret as bitterly, and as unavailingly, as the people of New Brunswick, Quebec, and all Canada, now regret the unfortunate concessions of the Ashburton treaty.

We crave your Lordship's pardon if we have pressed our views too strongly, on what may be thought, rather an Imperial, than a Canadian question. We do not doubt that the importance of the issue is already sufficiently impressed upon Your Lordship's mind, but we cannot help feeling, when we look at the Map of Canada, and observe that on our Eastern frontier, the State of Maine, by a recent treaty has been thrust like a wedge between the Provinces of Quebec and New Brunswick, intercepting direct communication, and covering some 8,000,000 of acres, previously regarded as British territory and occupied by thousands of British Subjects; and that on the West, through ignorance of the natural features of the Country in 1773, and under a spirit of concession in 1818, a vast territory was surrendered, and the boundary carried so far north, that communication between Canada, and the Great Valleys and Plains of the North Western territory, is through a region of Lakes and Mountains, instead of a level plain,—we say, we cannot help feeling, when we recal these unhappy, and as we now find, costly blunders of the past, that we are only discharging a solemn duty when we add our earnest warning to the arguments Your Lordship, as Secretary of State for the Colonies, will use, to prevent a similar, and in some respects, a worse blunder, in reference to our position on the Pacific Coast.

We have the honor to be,

Your Lordship's

Obedient servants,

GEO. ET. CARTIER.

WM. McDOUGALL.

The Right Honourable

Earl Granville,

Principal Secretary of State

of H. M. for the Colonies, London.

DOWNING STREET,
4th February, 1869.

SIR,

I am directed by Earl Granville to inform you that he has been in communication with the Earl of Clarendon on the subject referred to in your letter of the 30th December (signed by yourself and Mr. McDougall) and that his Lordship has been informed that the question respecting the proper interpretation of the Treaty of 1846, between this Country and the United States in its application to the Island of San Juan has long been in discussion between the two Governments, and that Lord Clarendon trusts that an arrangement into which he has entered with the United States Minister in this Country will ensure the matter being at an early period referred to the arbitration of a friendly State.

I am, Sir,
Your obedient servant,

W. MONSELL.

DOWNING STREET,
16th March, 1869.

SIR,

With reference to my letter of the 4th February, I am directed by Earl Granville to inform you that he has ascertained from Lord Clarendon, that Mr. Sumner has been authorized by the Committee of the United States Senate on Foreign relations to make a Report on the San Juan Convention, and to recommend that they should sanction its ratification by the President.

Her Majesty's Minister at Washington, is of opinion that there is no reason why the Report should not be taken into consideration by the Senate during the present session.

I am, &c.,

W. MONSELL.

Sir G. E. Cartier, Bart.

CLAIMS OF CANADA

FOR LOSSES AND DAMAGES SUSTAINED BY HER MAJESTY'S SUBJECTS, IN REPELLING
FENIAN INVASION.

REPORT.

*To His Excellency the Right Honorable Sir JOHN YOUNG, Baronet,
G. C. B., G. C. M. G., Governor General of Canada, &c., &c.,*

IN COUNCIL.

The undersigned beg respectfully to submit for your Excellency's information, that during their recent mission to England it came to their knowledge that negotiations had been going on between the Secretary of State for Foreign affairs and the United States Minister in London, with regard to the settlement of alleged claims of citizens of that Republic, arising out of the circumstances under which the "Alabama" was allowed to sail from the shores of England, and that it was intended to refer them for investigation and adjustment to a tribunal or to commissioners, to be agreed upon between the Governments of the two countries. They deemed it their duty to represent on behalf of the Government of Canada to the Right Honorable the Secretary of State for the Colonies, Earl Granville, that the Dominion of Canada, and the Provinces comprised in it had expended several millions of dollars in resisting attacks of the so called Fenians, for the most part citizens of the United States, who, since the beginning of 1866 were, in violation of the laws of United States, and of the laws of nations, allowed to organize and maintain themselves publicly and openly as a military force in that country, with the declared object of invading the Provinces comprised in the Dominion.

That such invasion did take place, and that several of Her Majesty's subjects lost their lives in repelling their murderous attacks, and a large amount of property was destroyed, and heavy losses and damages were sustained by several of Her Majesty's subjects.

That should any such tribunal or commission be constituted for investigation of the claims of the United States arising out of the depredations of the "Alabama," they requested that an opportunity should be afforded to the Government of Canada, and to all parties who had suffered loss owing to the invasion of our soil by the so called Fenians, to state their claims, and adduce evidence in support of them.

Copy of this communication, together with His Lordship's reply, are respectfully submitted for your Excellency's consideration.

All of which is respectfully submitted.

GEO. ET. CARTIER.
WM. McDougall.

OTTAWA, 20th day of May, 1869.

WESTMINSTER PALACE HOTEL,
LONDON, 28th December, 1868.

MY LORD:—Referring to the conversation we had the honor to hold with your Lordship on the subject of the late Fenian invasion of Canada, we beg that you will allow us on behalf of the Government of Canada, to address your Lordship on that subject which is of the utmost interest to the Dominion.

It is publicly announced that the claims of certain citizens of the United States of America, arising out of the circumstances under which the "Alabama" was allowed to sail from the shores of England, will be referred shortly for investigation and adjustment to a tribunal or to commissioners to be agreed upon between the Governments of the two countries. We beg leave to represent to your Lordship that the circumstances under which the so called "Fenians," for the most part citizens of the United States, have been allowed since the beginning of the year 1866, by the Government of the United States to organize and maintain themselves publicly and openly as a military force in the territory of the United States, with

the declared object of attacking and invading the Provinces comprised in the Dominion of Canada for the purpose as avowed by themselves of waging war against Her Majesty, and also the circumstances under which the "Fenians" have been allowed by the United States Government to attack and invade from the territory of the United States, the territory of Her Majesty in British North America, constitute a violation of the laws of the United States and of the law of nations.

We avail ourselves of this opportunity to state that the Dominion of Canada, and the Provinces comprised in it, have had to expend several millions of dollars in making the necessary preparations to resist the murderous attacks of the "Fenians," and in expelling them from those portions of Her Majesty's territory which they had actually invaded; that several of Her Majesty's subjects lost their lives, a large amount of property was destroyed, and heavy losses and damages were sustained directly or indirectly by a great number of Her Majesty's subjects, in consequence of these attacks and invasions of the so called "Fenians."

We therefore respectfully beg, that if the claims of the Government of the United States of America and of the citizens of that Republic should be referred for investigation and adjustment, to some tribunal, authority and instructions be given to that tribunal to consider, investigate, and adjust the claims of the Dominion of Canada, of the several Provinces comprised in it, and of any subject of Her Majesty, arising out of the unlawful proceedings of the Fenian organization.

We further beg that opportunity be afforded hereafter to the Government of Canada, and to all parties who may have sustained losses to state respectively the particulars of their claims, and to adduce evidence in support of them.

We have the honor, my Lord, of subscribing ourselves,

Your Lordship's most obedient and

Very humble servants,

GEO. ET. CARTIER.

WM. McDOUGALL.

DOWNING STREET,

8th January, 1869.

GENTLEMEN,—I am directed by Earl Granville to acquaint you that he referred for the consideration of the Secretary of State for Foreign Affairs, a copy of your letter of the 28th ultimo, respecting the claims of the Canadian Government on the United States, arising out of the unlawful proceedings of the Fenian organization in that country, and I am desired to state that Lord Clarendon has informed his Lordship in reply, that if a mixed commission is constituted for the settlement of British and American claims due notice will be given, so that all parties may present claims.

I am, Gentlemen,

Your most obedient servant,

FREDERIC ROGERS.

Sir G. E. Cartier, Bart,
and
W. McDougall, Esq., C. B. }

PROTECTION OF THE FISHERIES.

REPORT.

*To His Excellency, the Right Honorable Sir JOHN YOUNG, G. C. B.,
G. O. M. G., Governor General of Canada, &c., &c., &c.,*

IN COUNCIL.

The undersigned availed themselves of their presence in England, to bring under the notice of Her Majesty's Government the necessity of adopting more efficient measures for the protection of Her Majesty's subjects engaged in the fisheries.

They accordingly addressed a communication on the subject to the Right Honorable the Secretary of State for the Colonies, under date of 23rd March, 1869, copy of which is herewith submitted, to which no answer was received during their stay in England.

Since their return, however, they have the satisfaction of learning that a despatch favorable to the views expressed in their letter, has been received by your Excellency from Earl Granville.

Respectfully submitted,

GEO. ET. CARTIER.
WM. McDOUGALL.

OTTAWA, 20th May, 1869.

WESTMINSTER PALACE HOTEL,
23rd March, 1869.

SIR,—Adverting to the question of licenses authorized to be granted by the Governor General of Canada to foreign vessels for fishing in British waters within three marine miles of any of the coasts, bays, creeks or harbours whatever in Canada, which was lately brought before you in a personal conference, we beg to refer, for the information of the Right Honorable Earl Granville, Secretary of State for the Colonies, to the Act respecting "Fishing by Foreign Vessels," 31 Vic. cap. 61, of the first session of the Parliament of Canada.

You will observe that the first section of that Act provides for the granting by the Governor of Licenses to foreign vessels to fish in British waters within the three marine miles above alluded to, and that the subsequent sections prescribe the penalties, seizures and proceedings necessary to enforce the execution of the Act against foreign vessels fishing without license, in order to give protection to Her Majesty's subjects engaged in the fisheries.

We take this opportunity to state to you that last year licenses were authorised to be granted by the Governor General to foreign vessels within the limits above mentioned, at a rate sanctioned by the Imperial Government. Last year a large number of foreign vessels forced themselves into British waters for the purpose of fishing without having the required license and authority so to do. That these foreign fishing vessels have caused great loss and annoyance to Her Majesty's subjects engaged in these fisheries, and that the experience of last year proved that the license system cannot be properly enforced, unless the vessels in the service of the Government of Canada, and employed in the service of protecting the fisheries, are aided and assisted by Her Majesty's navy.

We beg therefore that the Right Honorable the Secretary of State for the Colonies may be induced to bring before the First Lord of the Admiralty, for his consideration, the important question of the protection of the fisheries, and may also be induced to move His Lordship for the issuing of such instructions to the Commander of the North American and

West India Naval Station as may be deemed proper, in order that Her Majesty's navy should aid and assist during this year the vessels in the service of the Government of Canada in the protection of the fisheries, and in the enforcement of the provisions of the Act above referred to.

We have the honor to be,

Sir,

Your obedient servants,

Sir Frederic Rogers, Bart.

GEO. ET. CARTIER.

WM. McDOUGALL.

(No. 62)

RETURN

To an Address of the HOUSE OF COMMONS, dated 7th June, 1869; For copies of all correspondence between the Government of the Dominion of Canada and the Local Governments of the Provinces of New Brunswick and Nova Scotia and between the Government of Canada and the Judges of the Superior Courts of those Provinces, respecting the salaries of the said Judges as provided for them by the Parliament of Canada.

By command.

HECTOR L. LANGEVIN,

Secretary of State.

DEPARTMENT OF THE SECRETARY OF STATE,

Ottawa, 12th June, 1869.

(No. 63)

RETURN

To an Address of THE SENATE, dated 12th May, 1868; For all correspondence connected with the navigation of the St. Clair Flats, or for the improvement thereof, and a statement of all money paid for that object.

By command.

HECTOR L. LANGEVIN,

Secretary of State.

DEPARTMENT OF THE SECRETARY OF STATE,

Ottawa, 14th May, 1869.

RETURN

To an Order of the House of Commons, dated 7th June, 1869; For a Statement shewing the amount for which the late Province of Canada became liable on account of the redemption of the Seigniorial Tenure; and of the amounts which Upper Canada and the Townships separately received as compensation.

By Command.

HECTOR L. LANGEVIN,

Secretary of State.

DEPARTMENT OF THE SECRETARY OF STATE,

Ottawa, 11th June, 1869.

By the Seigniorial Act of 1854, certain local revenues were set apart towards commutation of the Seigniorial Tenure. Their value was to be capitalized at 6 per cent. on the average receipts of the preceding five years, and the total expenditure was not to exceed by more than \$600,000, such capitalized value. A separate account was to be kept of the moneys arising from these revenues and of the expenses, allowing 6 per cent. interest both ways, to the intent that if the total expenditure exceeded the produce of the local revenues, a similar sum might be appropriated, and was thereby appropriated to some local purpose in Upper Canada. By the Seigniorial Act of 1855, the Receiver General was authorized to invest in Debentures to the extent of the fund above established. This was never done, but the intention of the Act was carried out by making a special fund of the capital of the local revenues and \$600,000, on which interest was allowed at 6 per cent. and the equivalent \$600,000 was added to the Upper Canada Building Fund, which had been created by 20 Vic. Cap. 8, and similar interest has been allowed upon it up to May, 1859.

The Seigniorial Act of 1859 changed the original arrangement. The Act of 1854 had made the Government responsible to the extent of the Fund for the capital to be ascertained as payable to the Seigniors. The Act of 1859 made it responsible for the interest at 6 per cent upon the whole capital so ascertained, and for any additional charge which thus fell on Consolidated Fund annually beyond what was covered by the Seigniorial Fund of 1854, Upper Canada and the Townships were to receive an indemnity of a similar sum carried to the credit of the Municipal Loan Fund.

If the total capital payable to Seigniors had been ascertained at the time of the passing of the Act of 1859, the method of carrying out its provisions would have been to have deducted the capital remaining of the Fund of 1854 at that date from the ascertained capital of the compensation, and 6 per cent upon the balance would have been the Upper Canada indemnity, and a proportion of this sum to the Townships according to their population. But the capital of the compensation was not determined for several years afterwards, and the expenses of the Commission for investigating this matter, which formed a charge against the Fund, were still running on, and moreover one of the revenues which formed the basis of this Fund (the *Droit de Quint*) was not itself ascertained.

Under these circumstances the method adopted was to take the Fund as it stood, May 4th, 1859, the day the Act was passed, and to charge it with all the expenditure of the commission since that date, and with the capital of the *arrière Fiefs* of Montreal, paid in 1862. The whole of these payments were discounted back to May 4th and the capital of the Fund as it would have stood at that date was thus ascertained.

Strictly speaking Upper Canada and the Townships were to have had credit annually for the interest charged against Consolidated Fund annually on the amount of capital by which the compensation exceeded the fund as it stood May 4th, 1859, and this annual interest.

would of course have been counted from that date when it would first have become payable. As, however, the calculation was only made in 1866, when it was known that Confederation would take place, and the Dominion Government would have no further control over the Municipal Loan Fund, the two indemnity accounts were opened by crediting them with the capital on which interest was to be allowed, and with the annual interest upon it from May, 1859. Of these two accounts the Townships indemnity has been counted as forming part of the debt, but that to Upper Canada, which by the Act is not payable until all arrears of the Municipal Loan Fund have been paid off, has been treated as an offset from the Municipal Loan Fund. The capital of the indemnity should in my opinion be treated as an offset from the capital of the Municipal Loan Fund, and the interest thereon as an offset against the interest in arrear on the same fund. It is to be observed that the annual interest only has been credited to the indemnity account in Upper Canada, and no interest has been allowed on the interest. As, however, in the interest account of the Municipal Loan Fund, 6 per cent interest is annually charged under the Act on the arrears, I think that as these accounts are parallel accounts, similar interest should have been allowed on the balances of the indemnity account. The question does not in any way affect the total debt, as the whole indemnity account is treated as an offset from the assets, but if the arbitrators take the origin of the debt as the basis on which it is to be divided, the question of compound interest may in that case be of importance, otherwise the whole account is only a book-keeping device in which Ontario alone is interested.

It is further to be observed that there are two liabilities incurred under the Seigniorial Act of 1859, upon which neither the Townships nor Upper Canada have received any indemnity, viz : the capital of the Jesuits' estates, \$92,583.83, and \$196,719.66 which was part of the capital of the Seigniories of St. Sulpice, which was made a charge against the L. C. Municipalities Fund and not against the Consolidated Fund. Until, however the former Fund was able to pay the annual amount, the interest on the \$196,719.66 was to be paid out of the Consolidated Fund, and it is included in the \$3,113,100.02, which is counted as part of the debt, the corresponding liability of the Municipalities Funds being now an asset of Quebec under the British North America Act.

Two of the local revenues which formed, with \$600,000, the original Fund of 1854 were capitalized on the average of the five years preceding as follows :

Seigniori of Lauzon, average income.....	\$12,951.65
Tavern Licenses, &c.,.....	37,115.01
	<hr/>
	\$50,066.66

capitalized at \$834,444.40. The value of the *Quint* was not ascertained until later, and was then added to the Fund, or (which was the same thing) was deducted by the Commissioners from the capital, viz :

Capital of <i>Quint</i>	\$71,214.83
Arrears of do.....	32,329.31
	<hr/>
	\$103,544.14

The average income of the two first named revenues since, to June 30th, 1867, has been :

Seigniori of Lauzon.....	\$11,897.47
Taverns, &c.....	33,773.66
	<hr/>
	\$45,671.13

JOHN LANGTON,
Auditor.

June, 9th 1869.

